

**TRIMMING THE FAT: EXAMINING DUPLICATIVE  
AND OUTDATED FEDERAL PROGRAMS AND  
FUNCTION**

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**HEARING**

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT,  
THE FEDERAL WORKFORCE, AND THE DISTRICT  
OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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May 6, 2004

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# **TRIMMING THE FAT: EXAMINING DUPLICATIVE AND OUTDATED FEDERAL PROGRAMS AND FUNCTION**

**THURSDAY, MAY 6, 2004**

U.S. SENATE,  
OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL  
WORKFORCE, AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE,  
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 10:10 a.m., in room SD-342, Dirksen Senate Office Building, Hon. George V. Voinovich, Chairman of the Subcommittee, presiding.  
Present: Senator Voinovich.

## **OPENING STATEMENT OF SENATOR VOINOVICH**

Senator VOINOVICH. The meeting will please come to order.  
I thank all of you for coming.

The Subcommittee is going to be hearing today Senator Brownback's legislation, S. 1668, the Commission on the Accountability and Review of the Federal Agency Act.

This bill would create a commission to evaluate domestic Federal agencies and programs to maximize the effectiveness of Federal funds. The commission would attempt to identify duplicative, wasteful, outdated and irrelevant Federal programs. Upon completion of its work, the commission would report back to Congress with draft legislation to implement its recommendations. Congress would subsequently be required to vote either up or down on those recommendations.

I will leave it to Senator Brownback this morning to discuss the proposal in greater detail.

Senator Brownback's legislation focuses our attention on an important question facing Congress as we attempt to allocate scarce Federal resources: How do we identify and reform or eliminate wasteful, ineffective, and outdated government programs?

When I was governor of Ohio, the first year we said gone are the days when public officials will be judged by how much they spend on a problem. The new realities dictate that public officials are going to have to work harder and smarter and do more with less.

Coming here to Washington, the Federal budget is now well over \$2 trillion, it maintains 15 cabinet-level departments, 63 independent agencies, 68 commissions, 4 quasi-official agencies, and over 1,000 advisory committees. Many Federal agencies and programs were established to address specific problems and have out-

lived their usefulness. Some programs were established as bold experiments but never quite achieved their goals. Several programs and agencies have such overlapping responsibilities that they get in each other's way. Finally, there are even a few government programs that are in direct conflict with other Federal programs.

This chart on my right was developed by the General Accounting Office in 1999 and it outlines the areas of fragmentation and overlap.<sup>1</sup> Although it is several years, I doubt that very much has changed. Clearly, there must be a better way to allocate Federal resources and provide taxpayers with a more positive return on their investment in government.

I faced exactly this problem on a smaller scale when I became governor of Ohio. The State Government was bloated and spending was out of control. I recognized that Ohio could never get its financial house in order unless we substantially improved program management and reduced outdated and duplicative programs.

One of my first actions was to establish an Operations Improvement Task Force. And one of the many positive actions we took as a result of that task force was to eliminate more than 60 obsolete State boards and commissions. We even managed to close the 73-year-old Ohio Department of Industrial Relations. By some estimates, the Operations Improvement Task Force saved us about \$430 million a year.

When I first became Chairman of this Subcommittee in 1999, succeeding Senator Brownback, I examined overlap and duplication in Federal early childhood programs. The General Accounting Office found literally dozens of them across Departments of Education, Health and Human Services, Housing and Urban Development, and other agencies. Although my Subcommittee has since focused mostly on human capital management, I have also been interested in the issue and am looking forward to discussing it with you this morning.

The biggest problem we must overcome in this effort is that almost every program in the Federal Government, no matter how effective or spendthrift, has its own core of supporters. It is probably impossible to eliminate or reform any Federal program without stepping on at least a few toes. It would be wishful thinking, at best, to believe we can restructure or shut down large numbers of programs across multiple Federal agencies without provoking a firestorm of opposition.

Nevertheless, that task must be undertaken if we are to have any hope of providing taxpayers the most effective and efficient government possible.

That is the goal of this legislation before us today.

Again, I would like to welcome Senator Brownback, who will be the first to testify today.

On our second panel we have the Hon. Clay Johnson, Deputy Director for Management at the Office of Management and Budget. And I would like to say Clay, that when I first came here, it was OMB but there was not any M. You have brought the M to the Office of Management and Budget. Clay is going to discuss the Bush

<sup>1</sup> The chart referred to appears in the Appendix on page 57.

Administration and what they are doing to evaluate Federal programs.

On the third panel we have the Hon. Dick Armey, former majority leader of the House of Representatives, and Paul Weinstein, a senior fellow at the Progressive Policy Institute, who are going to offer additional views on this proposal.

Again, I want to thank you all for coming here today. Senator Brownback, we look forward to hearing your testimony.

**STATEMENT OF HON. SAM BROWNBACK,<sup>1</sup> A U.S. SENATOR  
FROM KANSAS**

Senator BROWNBACK. Thank you, Mr. Chairman. Senator Voinovich, I appreciate your willingness to hold this hearing.

This is the first hearing in either the House or the Senate on the piece of legislation in front of you now, the CARFA Act, Commission on Accountability and Review of Federal Agencies.

I applaud your willingness to address this issue. This is one of those issues that most people just duck away from. They are not interested in addressing it because there is going to be some pain and difficulty in the process.

And yet, it is a grave disservice that we are doing to taxpayers to waste Federal money. We waste the funds of hard-working taxpayers, and they do not like it and none of us do either. It is time we start to address waste, fraud, and abuse.

Government bureaucracies, unfortunately, are riddled with waste, whether through unnecessary, duplicative, inefficient, outdated, or failed agencies and programs.

I am afraid that Congress has not been nearly as scrupulous as we ought to be when it comes to spending hard-working taxpayer dollars.

Mr. Chairman, every year the Congress legislates various programs into existence. Whether individual members agree or disagree with the substance of these programs is one issue. But I think most of us would concede that most of these programs are well-intended at the outset.

The trouble is that once a program comes into existence, experience tells us that the program is here to stay, whether it is successful, unsuccessful or outdated.

To quote President Reagan, "There's nothing so permanent as a temporary Government program."

The problem is epidemic. The evidence abounds that programs simply do not go gently away in the night.

Examples of government programs that have failed to address effectively the problems that they have targeted unfortunately abound. People of course, can cite the \$600 toilet seat, but the problem is actually much bigger than that.

To illustrate, I want to point out an OMB chart and you will have an OMB witness here later to illustrate this.

The OMB did a process of grading various Federal programs for efficiency and effectiveness in addressing the targeted objective that the program was put forward to address. The chart that I have shows scores for PART, the Performance Assessment Rating

<sup>1</sup> The prepared statement of Senator Brownback appears in the Appendix on page 27.

Tool. It has completed its first two rounds. It has not appraised nearly all of the Federal programs but it has gone through its first two rounds.

As we look at the scores that PART puts forward, I put up a corresponding academic score of how my children in school would be graded if they performed at this level of performance. Now keep in mind that not all the agencies have been reviewed by this program yet, but I think you can see the trend.

The median score in the chart indicates the percentage of programs within each agency meeting their goals. You can look down there, the Department of Transportation, of the 10 programs reviewed, had a median score of 78. And that is the best we have so far. So at least we are getting about a C or C plus on transportation dollars.

But you can look up or down through the programs. There are only four scores that would rank within the C range. No A's or B's. There were nine D's. There are eight F's.

Education, of all departments, had 33 programs reviewed and only scored a 44 percent on this appraisal where they go in and they judge the efficiency and effectiveness of these programs.

You can see that most of the scores were in the D, D- or F, by our own government scoring these programs.

You quickly have to ask the question when you look at this chart: Are taxpayers really getting their money's worth out of these programs? And the answer is clearly no. We would not tolerate this in a school. I would not tolerate this of my children's performance. We have to change something. Something has to be done better here. And yet, we let this go on year after year, program after program.

The Congress needs to take steps to deal with this.

As I go home and talk with my constituents they tell me look, I do not mind paying my taxes. I would rather they would be less. But it is infuriating to me to see my hard-earned money being poorly spent by the Federal Government. If I am going to work hard to earn this money I want it to be spent wisely. And that is what we need to address. That is what the CARFA solution intends to put forward.

Mr. Chairman, I have an overall presentation but what I want to say about the CARFA design model, we have a good model that has been used in the past. It is the BRAC Commission, the Base Realignment and Closure Commission. And what we basically have done with CARFA is we have taken that design and put it on all non-defense programs and entitlement programs.

This is a design that has worked in the past. It is one that can work now in this process. And I am afraid, Mr. Chairman, if we do not have a process like this, we will not do anything to address wasteful spending programs.

Because of the design of the program it only addresses about 25 percent of the Federal budget. The military portion is already being addressed, at least the base portion is, and we are leaving out the large entitlement programs. So you are only talking about 25 percent of the Federal budget in addressing this.

The operation of the program is relatively straightforward. A commission is appointed. The commission reviews this 25 percent



of the Federal budget, these programs, for efficiency, for effectiveness, for duplicativeness, or maybe, just maybe, we actually accomplished the objective of the program and it needs to end. We got it done and we need to go on.

It will appraise these programs and then determine which ones should be eliminated because they accomplished their purposes, they are duplicative, or they are wasteful.

And then it presents that to the Congress for an expedited vote, up or down, non-amendable procedure of saying OK, we have reviewed all these programs. We find these 63 should be eliminated and list the reason for that. And then give Congress, in the House and the Senate, one vote on whether they agree with the package to be eliminated or they think the package should not be eliminated. This is the same procedure as BRAC.

The BRAC procedure was done so that we could consolidate our money in fewer places because the military was saying we just have too many bases. We need fewer bases, but the bases that we have we need to upgrade. That is what we have got in our Federal spending programs now.

We have a number of people saying look, we have enough total money in the budget but it is not in the right places. We need more money in this program or we need more money in that program. This allows us a procedure where we can take those funds from less effective, inefficient programs or programs that have been successful but need to move on, and put it in places of higher priority like paying down the national debt or reducing the Federal deficit, or in other higher priority spending areas.

This has historical legacy. As I noted, it has historical success. You will hear from former Congressman Dick Armey who led this process in the BRAC. It was a successful program.

Without this, Mr. Chairman, I believe we will continue to spend the money as we have, that we will not reallocate the funds. We will continue to frustrate the people of America with wasteful government spending, and will not earn their trust that we are spending their money wisely or effectively.

A final comment that I would put forward, this is true conservative governance. We have enough total money we are spending in the government. We are just not spending it in the right areas. But most people believe we do not have the will to actually reallocate the resources. Most believe that we do not have the political will to do it and that it is just simpler or easier to raise taxes on hard-working Americans rather than making the tough choices that will step on some toes and some programs.

But if the program has not been effective, if it is rated as an F by our own government in effectiveness, there may be some people to stand up for it. But you have to ask the question: Why are you defending this? And then put a vote on the line. Make members vote. Make me vote, whether we keep the whole group or we throw the whole group out.

I think this is really necessary for us to have the trust of the American people that we are spending their money wisely. And that is why I put forward this legislation, and I appreciate your holding a hearing on it.

Senator VOINOVICH. Thank you very much.

I think back to the initial effort that I wanted to look at all the education programs because I think there were 500 or more of them. They were not even sure how many of them.

We had GAO look at them. But they finally came back and said that they did not have what they considered to be objective standards to determine whether these programs were really getting the job done or not.

I think that one of the real challenges here, and I would be interested to hear when former Congressman Armey speaks and perhaps Clay Johnson, the administration has gone through and evaluated the programs. But one of the areas where you always have some real controversy is what are the standards that you are going to use to judge these programs?

Have you given any thought to that? What kind of standards we would use?

Senator BROWNBACK. Yes. You will hear from Clay Johnson, we have already got one set of standards that have been put forward by this PART review and they have got a set of specific items that they use to judge. Is the program hitting the targeted pool that it was intended to hit? What are the results that are being received from the targeted pool? And they go through a series of appraisals there.

But on the issues of objective standards, however you want to develop them I think is critical that we develop them.

Senator Moynihan taught me before he left the Senate that we have rarely found a way to change something in government until we find a way to measure it.

He was pointing this out on unemployment. He was here when we came up with unemployment figures and standards. And he said you know, it was hard to come up with an objective standard because what if a guy is working full-time but he is just not even making a living? Is he employed or not? Well, he is working but how do you measure that? Or maybe a person is working part-time.

But he said eventually all of the economists came together and they came up with a set of standards. It was not perfect but people generally agreed with it. And now the government and the country moves by what happens on unemployment numbers.

We will have to do the same process here on developing objective standards. We have got to be able to come up with a way to measure the effectiveness. And we can. PART, what OMB does, is one way. If people do not agree with that, let us do another.

But we have got to be able to measure it and then we will be able to react off of that objective standard.

Senator VOINOVICH. How does the legislation deal with that issue on the standards?

Senator BROWNBACK. We put forward a series of tests in the legislation. Let me go through that set of items. We measure based on three key areas: First, duplicative, whether two or more agencies or programs are performing the same essential function. The function can be consolidated or streamlined.

Second, wasteful or inefficient, if the commission finds an agency or programs have wasted Federal funds by egregious spending, mismanagement of resources or personnel. Here you have a num-

ber of IGs that are out reviewing agencies, OMB and others. Third is outdated, irrelevant or failed.

Those of the three categories that we have. One would have to develop specific standards for review under each of those, but those are the three categories we put forward in the legislation.

Senator VOINOVICH. So the commission would be the one that would establish the standards?

Senator BROWNBAC. I would suggest that. If others do not want to leave that up to a commission and want to have a more prescriptive nature from Congress, I can see doing that. I do think we would be wise to give that commission some flexibility in measuring that.

Or perhaps we can review more closely the BRAC process. What did they set up for measurables on their commission before it went out and make its findings and determination and go off of that model.

Senator VOINOVICH. I think it is really important because if you do not have standards to judge what you are doing, you discredit the whole thing and people start attacking the standards and say it is not fair and so on and so forth.

And it would be interesting to see how the BRAC process got around that because I am sure there were some people that took a shot at the standards in the beginning and somehow they were able to justify what they were doing.

And then the issue became they had good standards, they looked at it, here is our result, and then you felt comfortable that it was done on an objective basis.

Why did you leave out the mandatory spending?

Senator BROWNBAC. We thought it was too big of a bite to take, that if we got to this portion of the Federal budget, 25 percent was a good start. Plus, what I think you will find is once we would go through this and you flesh these out and you showcase it to the public, you start to gain credibility with them that you are actually being serious about dealing with their dollars and being efficient with it. And they may allow you the credibility then to deal with something that affects a broader scope of the public in entitlement programs.

But we have not earned that right to be able to do that yet.

Senator VOINOVICH. As you know, Senator Nickles has been very interested. In fact, the last Budget Committee had asked for recommendations from the departments that deal with mandatory spending. And that is where the lion's share of the money is going right now.

But you are basically saying let us deal with this. It will probably be less controversy than getting into those major programs.

Senator BROWNBAC. Absolutely. It is not the bigger share of it, as I noted in my presentation. But I think we have a credibility gap for us to be able to take on. Plus, I did not know, just given the makeup and the nature of the way Congress is, whether you could get something through like that that actually would have mandatory program spending review as well.

Senator VOINOVICH. So you are just dealing from a practical point of view, looking at reality and saying let us do this. And

these other need to be done but probably they would be too difficult to be successful with them.

Senator BROWNBACK. If you think you can get it into legislation, I am fine. I just think that is a bridge too far at this point in time.

Senator VOINOVICH. Senator, thank you for coming. We look forward to working with you on this legislation.

Senator BROWNBACK. Thank you very much.

Senator VOINOVICH. Our next witness is Clay Johnson, the Deputy Director for Management at the Office of Management and Budget.

Clay, as you know, and our other witnesses here today, we have a custom in this Committee of swearing in our witnesses. If the witnesses will all stand, I will read the oath.

Do you swear the testimony you are about to give before the Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. JOHNSON. I do.

Mr. ARMEY. I do.

Mr. WEINSTEIN. I do.

Senator VOINOVICH. Let the record show that the witnesses answered in the affirmative.

Clay, it is really good to see you here today and to congratulate you and the administration on your management agenda. I think, from my observation over the years, that you genuinely are doing something about management. And I am very grateful for that effort. And I think that, from a partisan point of view, I think it is one of the issues that people should consider when they are selecting the next President of the United States, that this administration truly has taken some, not PR moves, but some real substantial moves to try and improve the efficiency of our government.

I can testify from my experience as both a mayor for 10 years and as governor, a lot of the things that one wants to do cannot be done in 4 years. If you are taking on a large Federal bureaucracy or State bureaucracy, you just cannot do it in that period of time.

I think that the President really should emphasize—I know it is not real exciting to be talking about management and efficiencies and taxpayer dollars and so forth, although Ronald Reagan did a pretty good job with it. But I think that it is really important that you convey to the American people what you have done in this area. Because I think it is significant and I am looking forward to your testimony today.

**TESTIMONY OF CLAY JOHNSON, III,<sup>1</sup> DEPUTY DIRECTOR FOR  
MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET**

Mr. JOHNSON. Chairman Voinovich, thank you for having me here.

Senator Brownback's bill, the CARFA bill, suggests very strongly that the Federal Government is results-oriented. You do not normally think of the Federal Government as being results-oriented. The bill suggests that the Federal Government is. And if it is not, it should be, and we agree.

<sup>1</sup> The prepared statement of Mr. Johnson appears in the Appendix on page 33.

Departments, agencies, and Congress ask if we are producing the desired result at an acceptable cost. And if the answer is no or, as is the case in many of the programs, we do not know, we figure out what to do about it.

We are focused on results because it is what our citizens and taxpayers expect us to do.

The administration is interested in working with Congress to ensure this focus on results becomes a habit, becomes what the Federal Government is all about, and becomes irreversible. We believe the question is not whether but when and how the Executive and Legislative Branches should more formally partner together to realign or eliminate duplicative, wasteful, outdated or failed programs. This is something we need to, should, and can do.

We also believe that expedited Congressional consideration of any resulting proposals is very important for any such formal partnership to be most effective. I applaud this Subcommittee for assessing how we can become even more results-oriented and I look forward to working with you and Senator Brownback and others to craft a proposal that will help us do that.

Senator VOINOVICH. Would you like to share with us some of the things that you have done in terms of evaluating programs?

Mr. JOHNSON. Program assessment?

Senator VOINOVICH. Yes, and maybe get to the issue that I raised with Senator Brownback, the issue of standards. How do you go about judging these programs and evaluating them and grading them?

Mr. JOHNSON. We have developed—as referred to earlier—the PART, Program Assessment Rating Tool, that is a series of 25 or so questions that we ask of all programs. In 40 percent of the cases we cannot tell whether a program is demonstrating results.

In many cases that is because we cannot either define what the program is supposed to do or we know what it is supposed to do but we do not know what to measure to determine whether it is doing it.

DEA is an example. How do you measure the effectiveness of the Drug Enforcement Agency? It is not the number of interdictions. Is it the price of drugs? Is it the quality of drugs? We are in some businesses that are very hard to measure.

So we even, with the help of this commission or something similar, are always going to have less than perfect measures with a lot of our programs, just because of the nature of the business—and I use the word business colloquially. It is just the nature of the activities that the Federal Government is involved in.

But nevertheless, that should not keep us from doing everything possible to assess to the best of our ability whether or not programs are working. And if they are not working or we do not know if they are working, we need to figure out what to do about them.

The Program Assessment Rating Tool, and this whole process, is something that requires a lot of work. Former OMB Director Mitch Daniels and Sean O'Keefe, who conceived of this back in 2001, laid out a 5-year timetable to evaluate all of the 1,300 programs that exist in the Federal Government.

The original PART called for 20 percent of the programs to be assessed each year. The goal is to assess if the programs work. If

they do not work, at an acceptable cost, let us figure out what to do about it. And so there are recommended next steps.

One of the recommended next steps might be to restructure the program to make it effective. Another possible next step might be to change the management, or combine it with another program. Another possibility is to come up with more relevant performance measures. We may be measuring how it performs in one direction, and it really should be going in a different direction, so we are thinking about the wrong performance measures.

Our focus on this is to make programs work better. For example, appropriators and authorizers have decided that we want to be in the adult literacy business. We want to teach illiterate adults to read. And the appropriators have gotten together, with the agencies' input, and decided, for instance, we want to spend \$500 million a year on adult literacy.

Well, we assessed the adult literacy programs and we found that they work 25 to 30 percent of the time. Well, that is not a good score. That is not a good performance. So do we drop that program?

Our approach is somebody else might decide that we are not interested in adult literacy, but the program exists. Congress and the Executive Branch have decided that we want to be in the adult literacy business. Our responsibility, as management people, is to figure out how to make these programs work.

We believe that there needs to be more accountability at the State level and so we try to restructure programs to incorporate more accountability measures.

Separately, you might decide that we want to really be in the adult literacy business or we do not want to be in it. In the meantime our job is to make the programs work.

So the PART process is a way to ask if it is working? Is it achieving the desired result at an acceptable cost? If the answer is no, or if the answer is we do not know, we figure out what to do about it.

Now, nothing automatically occurs because a program is considered to be an F or a D and have a low score. The agencies were originally very afraid to evaluate these programs because they thought things would automatically happen and anybody associated with a failed program would be tainted for life.

The point we have tried to make to agencies, and I think they have come to understand this now, is nothing happens automatically with a bad grade. Our goal, as we use the PART, is to get programs to work.

During this process we often find that some programs duplicate one another, or some programs work but they have already accomplished their stated objective. Or they work, as you said, contrary to some other programs. And in some cases the remedy we suggest is to eliminate or to combine or to restructure.

But it is not always the case that a program that does not work should be eliminated. Money does not, nor should it, automatically flow from programs that do not work to programs that do work. Oftentimes the recommendation is to take ill-performing programs, change them, combine them, and get them to work. When eliminating programs—this does not happen unless Congress decides and the President decides we are not effective in a certain arena,

and that we really should not be in this particular business. Let us get rid of all the programs associated with it. That is a separate drill that we go through as we try to assess whether programs work or not.

Senator VOINOVICH. The thing is that, one of the things that I always said to my directors was if you cannot measure it, do not do it. That is a nice thing. If you cannot measure it, then you force your people to say how do you measure whether or not this program is getting the job done?

The other issue is that at budget time to show cause why we should not eliminate the program. In other words, to force them to come in and say this is a good program. And why is it a good program? And why is it that—through the budget process of putting the pressure on, so often what happens is budget time comes around—in fact, one of the things I do not like about this place is that you have got the annual budget so everybody just spends their time just regrinding the material and then we do not have time here to do the oversight because we are so busy with the budget and appropriations that it is just a very frustrating situation.

Do you do that kind of thing at budget time with some of these agencies? Ask them about whether or not these programs—from your point of view, you are running them. Are they working or not working?

Mr. JOHNSON. We have evaluated 40 percent of the programs and we are this year evaluating the next 20 percent, so it will be about 60 percent of the programs and probably about 70 percent of the money.

So where we have good performance, medium or bad performance, that information is included in our budget submissions to Congress. We are trying to, working with agencies, factor performance information into more and more of the President's management and budget recommendations.

And we recommended that 13 programs be dropped this year primarily because of performance. There were another, I think, 50-some-odd programs that were recommended for elimination for reasons other than performance. They were duplicative, they had run their course, etc.

So yes, performance information, results of these PART assessments, are included in our budgets. And 40 percent of the programs have that information referred to for this year's budget and it will be 60 percent next year.

So in another 2 years we will have evaluated 100 percent of programs, 100 percent of the money. By then we also will have worked and helped the Appropriations Subcommittees make the transition to budgets that are more focused on program performance, agency performance, and less so on category of expense.

Senator VOINOVICH. Have any committees, appropriations or authorizations committee, reduced or eliminated the funding for any programs that you have identified as not effective.

Mr. JOHNSON. Yes. I do not have a list of those now but we can get those for you.<sup>1</sup> But then there are some that we have rec-

<sup>1</sup> The information for the record appears in the Appendix on page 58.

commended that they reduce or eliminate funding that they have not agreed to, as well.

Senator VOINOVICH. That would be interesting, I think, just as a matter of information for the Members of the Senate, as to where you have made some recommendations and what has happened to them.

The other thought that I had is that if this commission got going, what is your thought of how the administration could use the findings to help you in dealing with your management improvement initiatives?

Mr. JOHNSON. We are very close to agencies and very close to these programs. The value that I see in a commission similar to what has been proposed is we could use our PART assessments and offer recommendations to any commission—if that was the structure we agreed on—as to what programs ought to be combined or restructured or eliminated, etc.

The commission could provide a different, fresh independent view of all that, perhaps a little higher level, more across the government view. So it might provide a quality assurance check for Congress that programs have really been looked at seriously and objectively.

So that if a recommendation comes to Congress from the Executive Branch, it could be helpful for a commission to perhaps provide recommendations that were not included by the Executive Branch.

But the Congress can be assured that this thing has been looked at most seriously. So it should have a higher level of confidence that if it takes this up with an expedited consideration measure built in, that it is doing so with a lot of confidence that it has been very well thought out.

Senator VOINOVICH. If you think about this, what would your opinion be, and I do not even know in terms of the BRAC process how it works and we will find out from our next two witnesses or maybe you are familiar with it.

But it seems to me that as the commission would be doing its work, what would you think about the Administrative Branch of Government being privy to that information so that it could use it? Or do you think that it would be better to just let this thing run its course and have them come back with the recommendations fresh without any kind of relationship with the administration?

In other words, they are going to be discovering things as they go along. And the issue then becomes do you wait until the commission is over to then make the recommendations and it is an up or down vote? Or would it be advantageous that that information is shared with you so that possibly you would be able to take advantage of that work?

Mr. JOHNSON. The PART information now is——

Senator VOINOVICH. By the way, they are going to have to work with you anyhow.

Mr. JOHNSON. The PART information is available to the public now. It is on the web and it is there for all the world to see. So there is no smoke, no hidden anything. It is there.

So if agencies, the public, or Members of Congress want to take exception to ratings, they can. It has to be very public. The evalua-



tion of these programs cannot be secretive. Our recommended next steps are public.

So I would hope that we would not be any less public than we are now.

Then I think the deliberations by the commission, that is to be decided how open to the public that is. But the evaluation of these programs is out there for the world to see. So if they can see that some of their pet projects are consistently rated results not demonstrated or ineffective, yes, they will be inclined to mount their lobbying efforts or to work through agencies to reassess their evaluations and so forth, and work with OMB. But that, to me, is just the nature of the beast.

I think these evaluations have to be able to stand the test of public scrutiny and so far I think they are.

Senator VOINOVICH. Have you had any "outside organizations" look at your methods for evaluation of the departments?

Mr. JOHNSON. We have had outside groups look at the PART and the questions and the methodologies we are using, GAO and the National Academy of Public Administration has looked at it.

And the questions, the use of the questions, they have done consistency checks, quality control reviews, and so forth. There is no assessment process that is perfect. This is a darn good one, and it has gotten better each year. It is something that I think Congress is developing an increasing confidence in. Agencies are also more confident, including OMB.

You asked earlier if the commission should rely on PART information, rely on evaluations from the Executive Branch, from OMB or the agencies. I think to do anything other than that is nuts. These are very hard to do. Evaluations of programs take a lot of time. They take a lot of time from the agency, a lot of time from members of OMB.

And I think if a commission starts with something similar to the PART, basically they start somewhere between second and third base and on their way to get home. There is no point in starting at home base to try to make it all the way around.

So it is a wonderful beginning. They can then challenge some of our initial assessments, challenge some of the conclusions that have been made, and add fresh perspective to it.

But I would like to think that no matter what the instrument is the initial assessment, should be done by the Executive Branch and then brought to a commission to consider and to poke holes in or to challenge.

Senator VOINOVICH. So you would suggest that the commission would pay attention to the PART tool that you have established?

Mr. JOHNSON. Or whatever it is called or however it is structured. And it will get better every year.

Senator VOINOVICH. Would you think it would be a good idea—I know when we started to work on the issue of human capital that we worked with the National Academy of Public Administration, the Council on Excellence, and the John F. Kennedy School of Government and some of the other organizations to develop kind of a consensus on the areas where we needed to have change.

Do you think it would be worthwhile for the commission to take and get some of the top groups in the country, that are respected,

to help them develop and take into consideration some of the work that you have already done in coming up with the standards and procedures so that we start out with standards that most people would agree that were fair and impartial and did not bring to the table some bias?

Mr. JOHNSON. Sure. I do not think that an outside group is going to be able to look at something like DEA and say oh, it is obvious that the best performance measures to use for DEA are X, Y and Z. Because if they were obvious, we would be using them by now.

But I think outside groups can be brought in at the initial stage of a commission's life to look at the PART process as other good government groups have looked at it, and give the commission confidence that it is well thought out or that it ought to be modified in some form or fashion.

I would not ask an outside group to start from zero and tell us what we should be doing. I think that we probably know 85 percent—I am throwing that number out—of what we ought to be doing, what the questions ought to be, what the process ought to be, how the commission ought to work.

So an outside group coming in at the beginning of a commission's life, I would suggest, would be to give the commission members confidence that we have got a really good start and fill in that last 15 or 20 percent. I do not think they should be asked to come in and say I know nothing, tell me what we should be doing.

Senator VOINOVICH. I am not talking about—it is the issue of are the criteria that you are using, your standards to evaluate programs, ones that a major corporation in this country would say are the kind of things that they would be using to evaluate whether or not their operations, understanding that government is different than many corporations. But a lot of it is very similar.

Mr. JOHNSON. But what the PART examines is if we have a clear definition of what success is. And do we have good performance measures to use to determine whether we are achieving that success? It does not declare what the performance measure is for DEA, for instance.

I think any outside group would agree that is a good question to ask—if we have a definition of success and do we have a good performance metric to use? Now, what is the best performance measure to use for DEA?

My guess is an outside group is going to find it as difficult as we find it is to develop those good performance measures. It is an ongoing process to find out what they are. My guess is an outside group could question if we are asking ourselves the right general questions, but that what performance measures are best for each of the 1,300 programs. That has got to be a program by program decision.

One of the things that is referenced here is that there ought to be common performance measures developed for common programs. And we agree totally. We are in the process of doing that. But if an outside commission could do that with gusto and with the highest levels of objectivity, that is something that definitely needs to happen.

And there is a lot of duplication from program to program.

Senator VOINOVICH. The reason I am raising it is when I got involved in the educational thing and asked the GAO to do it, they basically said they did not have the criteria in place to go ahead and evaluate it. So it is a big deal.

Mr. JOHNSON. It is a big deal. With education in general, as you know, I think something like less than 10 percent of all money that goes into education comes from the Federal Government. So most of these education programs, and generally the Federal Government is providing a very small amount of money to make very large things happen.

So it is hard to determine exactly what impact our Federal monies have on the overall goal which is not just how is our money working but how is the overall bucket of money working.

Again, it is an example of the fact that we are in some very difficult businesses to measure. That does not mean we should say no need to measure performance, no need to hold these programs accountable. We need to ask ourselves do they work or not? And if they do not or we do not know, let us make a decision accordingly.

Again, there are some things that could give us a sense of whether these programs are working and in other programs it will be very clear whether they are working or not. And so any commission or any group we set up to help us do this—and we must do this, we must figure out a way to establish some expedited consideration by Congress with the help of a commission or some kind of input device. There is too much money and the results are too important for us to let this opportunity go by.

We are going to be plagued with fuzzy information about whether some of these programs work just because of the nature of these programs. And we are going to have to do the best we can.

Senator VOINOVICH. It will be interesting. Have you identified, when you start out on the things you get priorities. But it seems to me that if you really looked at some of this whole gamut of things that are out there, that there is some low-hanging fruit that you could get at pretty fast that would be less controversial and put it into categories about this is an area and then say this looks like it might be more difficult.

Mr. JOHNSON. We have looked at that same list that the Senator put up earlier, that the GAO had developed in 1999, I think it was. Economic development is one, job training is one, food safety is one. We are going to look at them here in the next several months and make sure we understand the programs and which programs that are in these similar lines of business have been evaluated and which programs have to be evaluated so that we have assessment of all the programs.

There is some low-hanging fruit in that it is clear that there is a lot of duplication or a lot of overlap. It may not be as clear what the answer is or what the solution is. But it is clear, I think, and we can agree pretty quickly on where we ought to start.

Senator VOINOVICH. If we get this thing going there is going to be a lot of time spent on making sure we do it in a very thoughtful way.

Thanks very much for being here and again congratulations on the good job you are doing.

Mr. JOHNSON. I appreciate it. Thank you for the kind words.

Senator VOINOVICH. I would now ask our next witnesses to come forward, Mr. Armeý and Mr. Weinstein.

Mr. Armeý, I want to commend you for your continuing commitment to the American public beyond your distinguished career in the House of Representatives. You have established a very high standard for public service and it is nice that your interest in this continues with Citizens for a Sound Economy.

Mr. Weinstein, thank you very much for being here today with us. We will start with Mr. Armeý.

**TESTIMONY OF HON. DICK ARMEY,<sup>1</sup> CO-CHAIRMAN, CITIZENS FOR A SOUND ECONOMY**

Mr. ARMEY. Thank you, Mr. Chairman.

Let me thank you for inviting me today. We at Citizens for a Sound Economy take our work seriously and I saw my association with them as an opportunity to continue my work outside of membership in Congress.

I was just reviewing in my mind, there is a legacy of broken hearts and broken promises, ingenious counter legislation, and broken bodies in the effort to control spending in Washington.

And I was just thinking in terms of my own adult memory of things I actually was as an adult, able to observe, beginning with Kennedy and Johnson, who pursued base closing with some enthusiasm.

That gave rise to legislation which blocked it for over a 10-year period, legislation incidentally sponsored by, I believe, Senator Kennedy's successor in the House, who went out to be Speaker of the House, Tip O'Neal.

As we watched the process go on, we remember Richard Nixon's impoundment and recissions which gave rise to the—I always like to say the full title—Budget Reform and Impoundment Control Act, because indeed it was impoundment control that was the object of their affection.

This is probably one of the most colorful ruses in the history of legislation, the budget process created just in response to Nixon's efforts to control spending.

President Carter made himself extremely unpopular when he tried to advocate zero-based budgeting in Washington and I think it contributed a great deal to his frustrations.

Ronald Reagan had the Grace Commission. Senator Gramm had Gramm-Rudman. We had, in the House at one time, a merry bipartisan band of people called the budget commandos that was sort of put together by myself and Chuck Schumer, now a Senator, where we tried to go after expensive spending.

It is in the legacy of this frustration that I think Congress turns to commissions. Certainly, I did turn to a commission when I did the BRAC Commission in 1987 and 1988.

I am generally skeptical of the possibility of commissions working, and I am always a little bit sad to see us need to go to commissions because to some extent Congress should pick up this ball without the commission. But clearly there are areas, and public choice theory tells us cutting spending is clearly an area where

<sup>1</sup>The prepared statement of Mr. Armeý appears in the Appendix on page 51.

these difficulties will plague you to the point where a commission may be your best option.

The two most successful commissions that I have seen operate in my adult lifetime have been the Greenspan Commission that by and large did the wrong thing with Social Security, but still gave Congress a chance to act on a subject that is considered the third rail of American politics and one not to be trifled with. And then the BRAC Commission.

When we set up a BRAC Commission I think the most important job—and I should say for over a year of my life I did what I called hand-to-hand persuasion. I had to talk to members on the Floor, in their offices, hand-to-hand, and assuage their reality-based fears.

There were too many Members of Congress—Joe Moakley being one of my favorite examples—who knew of base closures having been used as political reprisals in the past and quite rightly wanted assurance that would not happen in the future.

In the process of giving that reassurance, I had to explain to them that there would be an objective criteria and the information processing that would bring the results would be done on a professional basis by professional people.

The clear inference in this, as we discussed it prior to enacting the legislation as we have seen it operate in the various commissions we have had, was that the professionals at the Pentagon would provide the information and make recommendations. And to a large extent, that would be the database around which the commission worked.

But I must say I have had the privilege of having recent conversations with two members of the early commissions, former Congressman Jim Courter who chaired the first commission, maybe the first two commissions, and my colleague Harry McPherson at Piper Rudnick. Both of these fellows tell me, and I think they probably speak for all the members of the commission, that it was the hardest work they ever did in their life.

For the process to work, then, you must have professional information, professional data, and serious hard-working members of the commission that will not allow politics to impinge on their thinking. And Congress needs the assurance that it will not be political. The commissioners need to have the encouragement to keep politics out of it because it will be their instinct to keep it out. And to keep to the professional data.

Also, as you go forward on this, I found in the process of enacting BRAC that one of my most colorful, and frankly most enjoyable opponents was then-chairman of the Judiciary Committee Jack Brooks, former chairman of the Government Operations Committee.

Jack was a wily guy. Jack tried very hard to get us to bring back the committee recommendations for a motion of approval. Something, maybe intuition, maybe instinct, or maybe just my admiration and amusement of Jack Brooks, something triggered an awareness in me that caused me to insist that it be a motion of disapproval. It makes all of the difference in the world.

I do not believe there would have been a single based closed after the passage of BRAC in 1988 if it had been a motion of approval as opposed to a motion of disapproval in the two houses.

Also, the all or nothing proposition is very important. It was very important to the members. I do not believe they would have voted to enact the legislation without it. I think that they were willing to live with the results in affirmation of the recommendation. The commission makes a recommendation to the President. The President accepts the commission's recommendations and moves them on to the legislative bodies without tampering with them.

Now I think if this legislation makes a provision, an exception for national security for the President, it will probably be judged a reasonable exception. But the most important thing you must have is insulation from politics so that the members will not be concerned about having political reprisals taken against them, the need of a professional criteria and professional judgment by a serious hard-working commission that commands the respect of the members. In the case of Jim Courter, you had a highly respected former member of the Armed Services Committee known by both the Democrats and Republicans in both bodies to be a serious and objective fair man. These were the kind of reassurances you need.

I should say we have a wealth of information going way back to the Grace Commission. But more currently the work that has been done under the Results Act has given us a good deal of criteria by which we can measure. GAO is, I think, clearly an able and professional organization that gives reliable data and information. So if you take the work of the GAO and the OMB I think you have the objective professionals with skill and ability that can provide the information that is needed.

As I said from the beginning, it always saddens me some to see Congress resort to a commission. I always kind of live with the naive hope and dream that Congress will pick up the ball of its own responsibilities and carry it over the line. There are areas of governance, spending reduction being one of them, that have such a legacy of failure and frustration, even after so many different efforts, approaching so many different methodologies, that the commission probably is the best alternative. And if done properly can be effective.

I, too, agree with you that it is unfortunate that we are only confining this to a small percentage of the budget. The mandatory spending areas of the budget will be addressed soon enough. There will be an addressing of, for example, Social Security's pending insolvency and the impending financial overburden of Medicare. These things will happen. My guess, they will happen by commission as well sometime in the future.

We did, for example, do a fairly decent job at agricultural reform in 1995 or 1996. Even when you do, by legislative action, fairly substantial reforms in mandatory spending—and agriculture policy illustrates this—you can soon discover that backslider's wine is still the favorite drink of most Members of Congress on either side of the building, either side of the aisle. So agriculture policy now is as large a mandatory spending burden on the budget as it has ever been and makes no more sense than it ever did.

So again, I think you have a chance to gain some ground but then subsequent to doing that we will have to discover how to hold the ground. And in the final analysis, in the end, it will only come down—even after the good work of a commission—to the responsible work of Congress. Congress will eventually have to carry the responsibility of maintaining a more sane budget.

I finish with two observations. I cannot resist myself. Armeý's axiom is that nobody spends somebody else's money as wisely as they spend their own. Congress proves that every day.

My other axiom is a fool and my money are soon parted. Congress proves that every day. Thanks.

Senator VOINOVICH. Thanks very much. Mr. Weinstein.

**TESTIMONY OF PAUL WEINSTEIN, JR.,<sup>1</sup> CHIEF OPERATING OFFICER, PROGRESSIVE POLICY INSTITUTE**

Mr. WEINSTEIN. Thank you, Mr. Chairman.

My name is Paul Weinstein. For 8 years I served in the Clinton Administration White House and worked on a variety of issues including reinventing government and the National Performance Review.

I am pleased to be here today to testify on S. 1668, the CARFA legislation, and in general on the need for reorganization and reform of the Executive Branch of Federal Government.

It is a fact of life that every entity needs to reinvent itself continually in order to improve and survive. If government is to be a force for good, it too must reinvent itself on a continual basis.

Unfortunately, more than half a decade has passed since we really have had a complete governmentwide reform of government. Not since the implementation of the Hoover Commission's recommendations in the late 1940's and 1950's has Congress and the President worked together to put in place comprehensive governmentwide reform.

And despite the efforts of the many good people within government who try to make it work, we are paying too much for the failure to remake the Executive Branch more efficient, effective and less costly.

Simply put, 50 years is too long to go without more than just a tune-up. The Executive Branch needs a top to bottom overhaul.

That is why I am pleased that the Subcommittee is considering legislation to create a commission on government reform and accountability modeled on the military base closing commissions of the past.

The Progressive Policy Institute, where I am Chief Operating Officer, has long advocated creating a commission to reinvent government and eliminate corporate welfare. Our organization has believed that the best way to achieve comprehensive reform in the Executive Branch is to combine the commission function with a mechanism to require Congress to vote on its recommendations. Senator Brownback's CARFA legislation would provide for this type of commission.

However, we also believe that in order to assure that the legislation truly achieves the goal of reform and efficiency, S. 1668 needs

<sup>1</sup> The prepared statement of Mr. Weinstein appears in the Appendix on page 53.

to be modified in several key aspects: The first area, bipartisan-ship. It should come as no surprise that most significant government reform effort of the past 50 years, the Hoover Commission, was led by a former Republican president appointed by a Democratic one.

A true bipartisan commission, with its membership split between both parties, should increase the likelihood of both broad congressional and public support, something quite honestly, when you are going to undertake the endeavor you are about to, you are going to need.

I believe the CARFA legislation should follow the model established by the Defense Base Closure and Realignment Act of 1990. This law required that the BRAC Commission consisted of eight members selected by the President with the advice and consent of the Senate. But more importantly, it effectively divided the membership of the commission among Republicans and Democrats.

Expanded scope. When companies choose to remake themselves they look at all aspects of their operations, not just a few departments. Yet, as currently written, the legislation limits the CARFA scope to non-defense domestic agencies and their programs. Imagine if the Hoover Commission had been charged to only review domestic agencies. Without its recommendations, the President and Congress might never have created a National Security Council or a unified military cabinet level agency, the Department of Defense, both key players in winning the Cold War.

Multiple rounds. The 2-year timetable set forth in the CARFA legislation, I believe, is appropriate. However, in order to give the commission members the needed flexibility to meet its congressional mandate, I would suggest that it be allowed to submit more than one round of recommendations, maybe two or three. A multiple round approach would also help CARFA to build public support and increase the likelihood of its success.

I would like to remind the Committee that the original BRAC Commissions did not make all their recommendations in a single bill. They were reauthorized to do several rounds. And that was important to achieving their goals.

Additional criteria. S. 1668 sets forth some very important criteria for CARFA to follow, many of them which I agree with, such as identifying programs and agencies that are duplicative, wasteful or inefficient, outdated, irrelevant or failed. But I think we need to add some additional criteria to these as well.

One should be reorganizing agencies into mission focused departments instead of programmatic ones.

Two, CARFA should be given the authority to recommend simplifying programmatic regulations if it would help the relevant departments better meet the objectives of the germane authorizing statutes that Congress passed initially.

Three, CARFA should be required to identify and propose for elimination corporate subsidies that do not serve in the national interest.

Four, a provision should be added to the legislation that encourages it to improve the health and safety and security of the American people.



Again, I want to thank the Subcommittee for its attention and look forth to answering any questions you might have.

Senator VOINOVICH. Thanks very much. We really appreciate your being here today, Paul.

Paul, you got into some thoughts on recommendations, how you would improve the Brownback legislation.

Mr. ARMEY, do you have any thoughts on that?

Mr. ARMEY. Yes, I do. First of all, I want to thank Paul for his recommendations. I think they were all very good.

The one thing that I would like to see, and this becomes a very difficult thing that would have to be dealt with with some care, is some latitude for the commission to at least recommend programs for elimination on the basis that they are not necessary nor an essential function of government.

This becomes somewhat problematic and it would be a difficult section of the bill to write, because in effect what you are doing is saying to the commission we are now taking you a step from eliminating waste and inefficiency or duplication in what we do to telling us what it is the government should do. And that is our prerogative.

But it strikes me, and I think you would find, certainly among conservative thinkers in America, a great deal of the taxpayers money is spent on government doing things government should not be doing in the first place. And a great many people in America, I think, would feel that the legislation is somewhat incomplete if the commission has no latitude to at least address this by way of recommendation.

Mr. WEINSTEIN. Mr. Chairman, I would also like to add that I think it would be helpful, too, if some positive criteria were put into the legislation, as well.

What I mean by that is not only would you might want to merge or eliminate an agency because it is duplicative, but you might want to eliminate it if you thought the performance of government in general would be improved.

So rather than just sort of a negative-based criteria, why not actually look at this from a positive point of view as well?

One of the problems that we had back in the Clinton Administration was where we wanted to actually do positive changes, merging or consolidating things. And we were not allowed to do so. And some of those changes would have actually helped improve these programs and made servicing taxpayers more beneficial. I think the legislation maybe needs to be revised along those lines.

Senator VOINOVICH. In other words, what you are saying to me is that the way the law is written, that the flexibilities available to the Administrative Branch of Government for improvement are not there. That is a separate issue, is that if you had some more flexibility to look at that?

Mr. WEINSTEIN. I agree.

Senator VOINOVICH. Has anybody ever looked at that in terms of recommendations, in terms of flexibility?

Mr. ARMEY. I was going to say it is another good recommendation. It is not uncommon to find an agency under the management of the Executive Branch enforcing regulations that they themselves believe to be foolish or counterproductive even to their own mission

simply because they must do so under the law passed by Congress. I think this is what you are saying.

To give that agency a chance to make itself better by being relieved of the burden of some mandate that was maybe slipped into a bill some time ago because an individual Member of Congress had an individual constituent with a particular irritation and all of a sudden there is a red tape stricture wrapped around the agency that either forces them to do something that they think to be unnecessary or counterproductive to their own mission or forces them to do something that they think is just plain foolish.

Mr. WEINSTEIN. One of the things we did in the Clinton Administration was give out of a number of waivers when we had the actual authority from Congress to do so. But we were actually rather restricted in some other areas. And I know one of the things that we always wanted to look for was additional authority to give more flexibility, especially to local governments and State governments, where we could have allowed them to actually meet the program goals or mission goals without being tied up with red tape.

Often, as Congressman Armey points out, there are statutes that have been developed over time which basically are at counter purposes. And lawyers at agencies tend to be conservative because they want to stay in the black. They do not want to get into the gray area.

So greater flexibility in allowing departments to actually achieve the true mission, the intent of what Congress wanted it to do, is actually a good thing. And I think the legislation should look at that.

Senator VOINOVICH. That is a very good point that you made because I was very much involved, as one of the governors that did the welfare reform. And I really believe that had it not been for the waivers that we had gotten from the Clinton Administration, we would never have got that legislation passed. Because States were able to show with the waivers that we were able to do some things better than what the law allowed us to do. And that set the stage for it.

I know I am looking at health care reform right now, working with Stuart Butler and Hank Aaron over Brookings, and how do you deliver a new health care system in the country. And one of the things that they are looking at is providing more waivers to States that get started. The State is the laboratories of the democracy.

The point you are making is if you had more flexibility to do that you might allow some people to do some things to achieve them differently than maybe the way it has been laid out by Congress, because you are actually letting the people that are doing the work come back and say gee, if you let us do this this way, we could probably do it better.

Mr. WEINSTEIN. Absolutely. We did a lot of welfare waivers but one area where we could not do as many was Medicaid. That is really an area I would encourage you all to look at and basically see if we can create some more flexibility.

I have talked to a lot of governors who are very frustrated right now because of the mandates that they are having to deal with and they would like to do the right thing. And one of the things that

would enable them to do so would be get some more flexibility on how to meet those goals.

Senator VOINOVICH. We tried Medicaid, too. I do not know if you were around when we did. But we never got to the point where we could get everybody to allow us.

Mr. Armeý, you were very much involved with the BRAC Commission, the legislation. I was interested that you indicated that had you not done buttonholing in terms of this, it would not have gotten passed. Do you think this would be the same kind of thing we will have to do to get this done?

Mr. ARMEY. I really think so. BRAC, we were really talking to individual members about their parochial interests. This is the base in my district.

Most of what we are looking at here is where you are going to have programmatic constituencies. But still, nevertheless, I think the Member of Congress that says all right, maybe we have not been doing what we should have been doing with a lot of this stuff, but before we turn it over to somebody else I want to be assured that it is going to be done on a professional and objective criteria and this is not going to be shanghaied so that somebody can turn it around and use it as a political reprisal against me if they become disappointed in something I do.

And of course, I was very naive and new to government, having never been in public office until I was elected, and having only been in office for one term when I did BRAC. My first impression was this was an irrational paranoia. But as you talk to people—and Joe Moakley was so helpful to me in this—you could talk about Members of Congress who had really voted in a way that offended somebody and really had seen their base closed for what no reasonable person could conclude was any reason other than to straighten them up and putting them in their place. Some even subsequently lost their seat.

That is why I use the term reality-based fears. There are going to be those reality-based fears. And unless somebody is willing to sit down and encourage members in both bodies—I remember Senator Sam Nunn was so helpful to me in the Senate, encouraging Senators to understand no, this is going to be a professionally done operation. And I think it has been.

I think generally speaking, if you take a look at the history of BRAC, everybody would have to concede there has been virtually no politics crept into that process. It has been an objective military preparedness criteria and done on a professional basis without a single political axe having been ground. I think that is a fair assessment of that.

If you cannot assure people this will be done on that basis, then I do not think they will vote for the authorizing legislation in the first place.

Senator VOINOVICH. I can tell you that we had a dickens of a time going to the next BRAC recommendation and there were only 34 of us in the Senate that voted for it when it first came up a couple of years ago. Then we brought it back again and finally got it done again, in spite of the overwhelming evidence that there was some wonderful opportunities to reduce the cost to government.

So this gets to the other question. You are saying that the members want to know that this is going to be fair and impartial. How important do you think it is that we get started with this? That we do some background information in terms of the kind of standards that we would use? So that if somebody asks me the question or Sam Brownback, Hey, I am worried about this thing, how is this going to get done?

Then we would be able to say to them look, we have had some pretty top-notch people look at this, they are not liberal, conservative, or whatever it is. But just objectively say this is a proper way of getting the job done.

Do you think that would help us at all? Or do you think we would get into a rat's nest because we start talking about the standards?

Mr. ARMEY. It seems to me that given the looming financial crisis that is coming with Social Security—I mean. I think by the year 2018 you are relying on the Trust Fund which is not there, which has nothing in it. So that you are going to have to be preparing yourself for some budgetary accommodation to this new urgency.

The fact of the matter is I had, during all of the years I was Majority Leader, worked with the Government Operations Committee on the Results Act. I believe we had a good legacy of information and background data and methodology already existing out there from which we can draw.

I think there have been a lot of good efforts that are made that have laid the foundation. Senator Connie Mack came to me with an idea similar to this say 6 or 7 years ago, I did not think we were ready.

I think, in terms of database and methodology, I think we are ready for this and we can move. I think somebody might need to go through these agencies and review the effort that we have and put together maybe a laundry list that demonstrates that capacity to the members. I think it would be a handy thing to have.

I remember when I did what I called my hand-to-hand persuasion on the Floor and in the cloakroom and so forth in BRAC. I had a little card full of meritorious information that I could tick off quickly. The data on the card that I carried was born out of what I had measured as the concerns of the members.

One of the interesting things you find in the process of lobbying to your membership on both sides is you will find a continuity of concerns. So that in the first early ventures you can find the five or six top questions that are almost inevitably going to come up by every member you approach. I think we have the database there to put together the answers that are reassuring to those members.

But it is a job that needs to be gotten on with as quickly as possible because it is just one of the many things we are going to have to do to get ready to deal with the Social Security financial crisis that is just going to be devastating if we are not prepared for it.

Senator VOINOVICH. I agree with you. I have said to folks if we do not deal with this deficit and we do not deal with this looming crisis that is coming, there will not be anything for anybody. It will just consume almost the entire budget and there will not be anything left.

So we have to start thinking about that and also getting back to in terms of how do you do something about the mandatory spending that we have got.

What I am picking up from you, Mr. Armeý, is that you think that with the administration's PART effort and with the Results Act that there is enough stuff there that would help us to convince members that this can be done?

Mr. ARMEY. Yes, and I think you can convince members on both sides of the aisle. You can talk about the good work done by the Clinton Administration on reinventing government. You can talk about the Results Act in Congress. The GAO is a professionally capable organization that deserves our respect and admiration and I think has that. OMB has done a good job professionally on this.

So my own view is that we have a legacy of information. There is also the Congressional Review Act and we have some legacy of information that has been done from those efforts.

The shortages in information that I would identify would be only shortages pursuant to Congress's inability to fully exploit the capabilities they have had. But still, nevertheless, I think this Committee and your associate committee in the other body, the House, in pursuit of the Result Act, have put together an enormous legacy of information and data from which you can give a great deal of assurance to all the Members of Congress that yes, we can do this job. We have the data. We have the methods and we will have the objectivity.

Senator VOINOVICH. It would be interesting, do you know of any committee over in the House when you were there that ever looked at the Results Act?

Mr. ARMEY. Oh, yes. I tried to manage it out of my leadership office. Oversight is not something that congressional committees enjoy doing, as you know. It did not make me the most popular guy in leadership on those occasions when we encouraged it.

But the House—we renamed all the committees in 1994 and I never got the new names right, so I am still living with the Democrat committee names. The House Government Operations Committee, Steve Horn from California had an enormous legacy, he put out a report card every year. There is a great deal of information in that committee.

Steve Horn, unfortunately, retired because I would be very comfortable to refer you to him. But in your pursuit of information it might not be a bad idea to get in touch with retired Congressman Steve Horn. He was so active that he probably knows where all the good information can be found, and has a good deal of it at his fingertips.

Senator VOINOVICH. I have been trying to get the folks over here to do the oversight in the Appropriations Committee. And I do not think they do it.

Mr. ARMEY. In our body, the appropriators, quite frankly, do a good job of oversight. In some respects they may be the best people at oversight. Of course, oversight is a little more easily done by appropriators because the agency comes before the authorizing committee and says you can only give us life or death, the appropriators give us money. So the appropriators get much more attention.

Senator VOINOVICH. I have talked to Ted Stevens about it, and he thinks it is a good idea. But you have to have somebody like you that says this is high-priority and then just keeps banging away at it, and then it gets done.

Do the two of you both agree that perhaps this may be the only way that we can get to working harder and smarter and doing more with less and get the efficiencies and economies than the folks that put the money in the basket are entitled to?

Mr. WEINSTEIN. Yes. I agree with the Congressman that it would be great if Congress would be willing to give the President reorganization authority and other tools to do this job. But I think over time we have moved away from that. And basically I do think the BRAC model is really our best opportunity.

I also do think with the current budget crisis that we have, we are slowly building up to a point where I think Congress may become more willing to take this on, which is why, of course, I encourage you to take a big bite of the apple because you do not get that many chances.

So I think that thinking big here and using this opportunity that we have now, I would commend the Congress to do so.

Mr. ARMEY. I agree.

Senator VOINOVICH. Thanks very much.

The real issue is whether or not we can get enough of our colleagues to think this is a good idea. I think the most important thing that is to find out how leadership feels about it.

Mr. ARMEY. If you can get Ted Stevens to vote for it, you can pass it.

Senator VOINOVICH. Thanks, very much.

The meeting is adjourned.

[Whereupon, at 11:33 a.m., the Subcommittee was adjourned.]

# A P P E N D I X

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**U.S. Sen. Sam Brownback**

**The CARFA Act (S.1668)**

**Trimming the Fat: Examining Duplicative  
and Outdated Federal Programs and Functions**

**10:00 a.m., Thursday  
May 6, 2004  
342 Dirksen Senate Office Building**

**U.S. Senate Committee on Government Affairs  
Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia**

I would like to thank chairman Voinovich for holding this important hearing on the Commission on the Accountability and Review of Federal Agencies (CARFA) Act (S.1668).

**The Problem**

Mr. Chairman, federal waste is a grave disservice to hardworking taxpayers across our great nation, and yet our governmental bureaucracies are riddled with it—whether through unnecessary duplicative, inefficient, outdated or failed agencies and programs.

I am afraid that the Congress is not nearly as scrupulous as it ought to be when it comes to spending hardworking taxpayer dollars.

Mr. Chairman, every year the Congress legislates various programs into existence. Whether individual members agree or disagree with the substance of these programs is one issue, but I think most of us would concede that most of these programs are well-intended.

The trouble is that once a program comes into existence, experience tells us that the program is here to stay—whether it is successful, unsuccessful, or outdated.

This problem is epidemic, and the evidence abounds that programs simply ‘do not go gentle into the good night.’

Indeed, as President Reagan noted, “There is nothing more permanent than a ‘temporary’ government program.”

**PART**

Mr. Chairman, the examples of government programs that have failed to address effectively the problem they targeted abound.

Of course, we all remember the \$600 toilet seat, but the problem is much bigger. To illustrate this point, I have a chart showing some scores by Department from the Office of Management and Budget's (OMB) FY04 and FY05 Performance Assessment Rating Tool (PART).

I am glad that Clay Johnson, Deputy Director of OMB will be testifying today. I know that he and the current administration are results-oriented, and I look forward to his comments on the CARFA Act, and what we have learned through the PART process.

The chart that I have shows what PART turned-up in its first 2 rounds. As we look at the PART scores, I have put what would be the corresponding academic grades by each average score.

Keep in mind that not all agencies have been reviewed by PART thus far, nor have all programs within those agencies, but I think we see a trend.

The Median Score on this chart indicates the percentage of programs within each agency meeting their goals.

If these scores were children's grades on a report card, there would be some cause for concern. Just looking at departments with five or more programs reviewed, there are no A's and no B's. Transportation, which had 10 programs reviewed, scored a C+. There were only four scores that would rank within the C range. There were nine D's. There were eight F's. Education—of all departments—had 33 programs reviewed and only scored a 44.0-percent.

Are taxpayers really getting their money's worth?

The Congress needs to take concrete steps to ensure that hard-earned taxpayer dollars are being efficiently used by the federal government.

From personal experience I can tell you that few things are more upsetting to my Kansas constituents than to see wasteful federal spending.

Kansans often say to me: "I do not mind paying my taxes, but it is infuriating to see my hard-earned money being poorly spent by the federal government. If I am going to work hard to earn this money, I want it spent wisely."

These are real concerns that need to be addressed.



**CARFA: A Solution**

So, how do we address the problem of eliminating well-intended, though ineffective or outdated government programs?

First, we must learn from both our past failures and successes.

What can largely be characterized as a failure would be our valiant efforts to take on entire agencies head-on. We have learned that once a program—and especially an entire departmental agency—is in place, you cannot tear it out at the root.

The best that you can do is to starve such an establishment by decreasing funds one-year-at-a-time. Still, this approach has largely been ineffective.

There are too many special interests and too many influences that will prevent us from taking the ax to the root of established agencies and programs—even after they have failed or become obsolete.

However, I believe we have had one process that has been successful in the realm of program-elimination and prioritization of spending—the Base Realignment and Closure Commission (BRAC).

**A History of BRAC**

BRAC originated in the 1960's under President Kennedy as the Department of Defense (DOD) had to realign its base structure after World War II and the Korean War. At that time the DOD was able to close bases without Congressional interference, and sixty bases were closed in the 1960's.

Naturally Congress was upset with the political and economic ramifications back home, but their efforts to kill BRAC failed until 1977 when President Carter signed legislation allowing the Congress to micro-manage base closings. As a result no major military bases were closed in the 1980's.

In the late 1980's, under Congressman Dick Arme's leadership, BRAC was revived in its present form, with the BRAC commission submitting its recommendations to Congress for the realignment and closure of military bases, with the Congress taking an up-or-down vote to accept or reject the plan as a whole.

### **The CARFA Act**

BRAC has been our one successful model for eliminating wasteful federal spending—in this case military bases—and with this in mind, I specifically modeled the Commission on the Accountability and Review of Federal Agencies (CARFA) Act (S.1668) after BRAC.

Whereas the BRAC Commission examined military bases and the Department of Defense (DOD), CARFA would review federal agencies, and programs within agencies. The scope of this commission would be directed toward non-DOD discretionary agencies and programs.

In only reviewing non-DOD discretionary spending, CARFA would review, roughly, a modest quarter of federal spending. I see this as a reasonable first step. If CARFA is successful, future Congresses may choose to authorize new rounds, as there have been multiple rounds of BRAC.

### **The Details of CARFA**

CARFA is designed for success using a narrow set of criteria, which should produce significant results. The three areas of review are:

Duplicative – Where two or more agencies or programs are performing the same essential function and the function can be consolidated or streamlined into a single agency or program, the commission would recommend that the agency or program be realigned.

Wasteful or Inefficient – Where the commission finds an agency or program to have wasted federal funds by egregious spending; mismanagement of resources or personnel; or use of federal funds for personal benefit or for the benefit of a special interest group, it would recommend that such agency or program be realigned or eliminated.

Outdated, Irrelevant, or Failed – Where the commission finds that an agency or program has completed its intended purpose; become irrelevant; or failed to meet its objectives, it would recommend the elimination of such agency or program.

I have a flow chart to help explain the process after the commission completes its review.

After completing its evaluation, the commission would submit to Congress both a plan with recommendations of the agencies and programs that should be realigned or eliminated, and proposed legislation to implement this plan.

As with the successful BRAC model, the Congress would consider this legislation on an expedited basis with a comment period from the committees of jurisdiction. Within the expedited time-frame, the Congress would take an up-or-down vote on the legislation as a whole without amendment.

If CARFA's recommendations are enacted, significant savings would likely result.

If CARFA's recommendations are rejected, Congressional authorizers would have a useful guide, which would bring together into a single source measures such as the Government Performance Results Act (GPRA); the Inspector General (IG) Reports; OMB's Performance Assessment Rating Tool (PART); as well as CARFA's own findings of fact.

#### **Answers to Concerns**

Some have raised concerns that CARFA would amount to the Congress delegating its authority. I answer this concern by noting that CARFA is an appropriate exercise of Congressional oversight and authority. Nothing substantive happens unless the Congress passes the Commission's proposed legislation.

Others have concerns over the expedited process for CARFA, because amendments at either the committee level or on the Floor are not in order. I answer this concern by noting that the only chance we have for successfully eliminating government waste through CARFA is a straight up-or-down vote. BRAC was successful because members had to vote on the whole package.

In the case of BRAC, if members could offer amendments to exempt specific bases, BRAC would not be successful. In the case of CARFA, if members could offer amendments to exempt specific programs or agencies, CARFA will not be successful.

The expedited procedure in this bill is its key to success. With the expedited process in CARFA, we have the chance to truly reduce government waste. Without the expedited process, it is doubtful that the commission's effort would result in waste elimination.

Prioritizing spending, and maximizing the effectiveness of taxpayer dollars is absolutely essential. The CARFA process is the vehicle that will give us the chance to say 'no' to well-intentioned programs are now wasteful or have failed.

#### **Intended Results of CARFA**

CARFA is about maximizing the benefit of all federal funds. Significant savings could result from CARFA, which could be directed toward higher Congressional priorities, such as paying down the national debt.

It is my hope that enactment of CARFA would provide a real tool at the service of the federal government, in order that we can better prioritize spending, and shift funds from less beneficial to more beneficial areas.

I believe that Americans would greatly benefit from such a commission, which has the real potential to help us truly root out inefficiency in the federal government in such a way that we can more fully realize the benefit of all federal funds. That is the spirit of the CARFA Act.

**Summary**

The use of hard-earned taxpayer dollars on duplicative, inefficient, and failed Federal agencies and programs is a serious problem facing our nation today. Over and over, we see congressionally authorized programs become institutionalized; and then—though no longer necessary—they become permanent fixtures receiving more taxpayer dollars year after year.

The Commission on the Accountability and Review of Federal Agencies (CARFA) Act (S.1668), would change this.

The CARFA Act is the antidote to the Congress' general unwillingness to end politicians' pet-projects.

I thank the Chairman for this opportunity to testify in favor of the CARFA Act.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF **MANAGEMENT** AND BUDGET  
WASHINGTON, D.C. 20503

Statement of the Honorable Clay Johnson III  
Deputy Director for Management  
Office of Management and Budget

before the

Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia

of the

Senate Committee on Governmental Affairs

May 6, 2004

Thank you for asking me to testify before you this morning. I applaud this Subcommittee's focus on the results the Federal Government's agencies and programs are achieving on behalf of the American people.

The Federal Government is results oriented. Our citizens expect it of us. So we ask ourselves if we're accomplishing the desired result, at an acceptable cost, and if the answer is "no" to either question, we figure out what to do about it.

We hold our managers accountable for program costs and results. We make sure they have timely and accurate performance and financial information with which to make sound decisions, and the people, skills and systems to execute those decisions and programs well. And where we don't yet, we have plans to do so. This sounds pretty basic, but it entails departments:

- Getting unqualified audit opinions, several agencies for the first time, ever;
- Closing their financial books within 45 days of year-end, unheard of for the Federal Government several years ago;
- Evaluating the performance and cost of all federal programs, in a consistent manner, which has never been done before;
- Eliminating improper payments, which are estimated to be at least \$35+ billion per year;

- Determining the most competitive, fiscally responsible way to accomplish their commercial activities;
- Investing in and developing non-duplicative information technologies that significantly improve our ability to accomplish our goals;
- Hiring/training managers to manage for performance, clarify expectations, set appropriate goals, provide constructive feedback and motivate; and
- Working with other departments to provide our citizen, business and government “customers” high levels of service, with the focus on their need for ease of access.

Departments and agencies are making these changes. They are driving the focus on results, one reason being that employees would rather work for an agency that’s really results oriented than for one that’s not.

The Administration is interested in doing everything possible to ensure this focus on results becomes a habit, what the Federal government is all about, and irreversible. Requiring by statute that program performance and cost be systematically assessed would help accomplish this.

By the end of this fiscal year departments will have assessed the performance and cost of 60% of their programs, with plans to evaluate the remaining 40% over the next two years. They ask the same questions about each program; so the answers and “scores” can be compared to each other. We refer to the collection of questions as the Program Assessment Rating Tool, or the PART.

With the help of the assessments done to date, we have identified the need for better performance and cost measures, structural changes, management changes, additional funding, and/or reduced funding. For your reference, I have included with my testimony a table that lists the approximately 400 programs assessed to date by their ratings and the corresponding budget recommendations. From the list, you can see the breadth and diversity of programs examined, and why it is necessary to take a consistent approach to assessing their management and performance. We should be asking basic questions of all of these programs:

- Is their purpose clear and are they well designed to achieve their objectives?
- Do they plan well and set outcome-oriented goals?
- Are they well managed? and
- Do they achieve measurable results?

As you can also see from the list, many programs – 40 percent – are unable to demonstrate their results. There is a need to identify those programs that can’t demonstrate their results and then figure out the best way to measure their

performance. Coming up with better ways to measure results is just one of the steps we take to improve the performance of the programs we assess.

The purpose of the assessments is to improve results. The guiding principles we have found most effective in the implementation and use of these assessments are as follow:

- The goal is to have programs produce the desired result at an acceptable cost.
- Nothing happens automatically because a program is rated ineffective or effective, or something in-between. Current program performance and cost should be an integral, but not the only, part of any discussion about program funding, structure and management.
- The difficulty of measuring program performance, or differences of opinion about what a program's goals should be, should not prevent us from developing and using the best measures possible.
- The assessment process should be focused on the facts.

I recommend that these principles be incorporated into any statute calling for the systematic assessment by Congress and the Executive Branch of program performance and cost.

I look forward to working with this Subcommittee and other Members to craft a sensible approach to ensure that a focus on results becomes a habit, what the Federal government is all about, and irreversible.

Thank you.

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**EFFECTIVE PROGRAMS**  
(dollars in millions)

	2004		2005		Agency	Change from 2004	
	Enacted	Budget	Enacted	Budget		Enacted	Budget
Administering the Public Debt.....	174	175	174	175	Treasury	1	0.6%
Advanced Simulation and Computing (ASCI).....	721	741	721	741	DOE	20	2.8%
Anti-Terrorism Assistance.....	96	128	96	128	State	32	33.3%
APHIS Plant and Animal Health Monitoring Programs.....	173	261	173	261	USDA	88	50.9%
Basic Energy Sciences.....	1,011	1,084	1,011	1,084	DOE	53	5.2%
Basic Research.....	1,404	1,341	1,404	1,341	DOD	-63	-4.5%
Biological and Environmental Research.....	641	502	641	502	DOE	-139	-21.7%
Bureau of Economic Analysis.....	67	82	67	82	Commerce	15	22.4%
Bureau of Labor Statistics.....	519	532	519	532	DOL	13	2.5%
Capital Security Construction Program.....	761	888	761	888	State	127	16.7%
Coin Production.....	431	441	431	441	Treasury	10	2.3%
Debt Collection.....	47	47	47	47	Treasury	0	0.0%
Demining.....	50	59	50	59	State	9	18.0%
Educational and Cultural Exchange Programs in Near East Asia and South Asia.....	49	60	49	60	State	11	22.4%
Energy Conservation Improvement.....	50	60	50	60	DOD	10	20.0%
Facilities.....	612	683	612	683	NSF	71	11.6%
FEHBP Integrity.....	11	15	11	15	OPM	4	36.4%
Fuel Facilities Licensing & Inspection.....	16	26	16	26	NRC	10	62.5%
Health Centers.....	1,617	1,836	1,617	1,836	HHS	219	13.5%
Individuals.....	447	498	447	498	NSF	51	11.4%
Information Technology Research.....	313	220	313	220	NSF	-93	-29.7%
International Nuclear Materials Protection and Cooperation.....	258	238	258	238	DOE	-20	-7.8%
Mars Exploration.....	595	691	595	691	NASA	96	16.1%
Medicare Integrity Program (HCFAC).....	720	720	720	720	HHS	0	0.0%
Military Force Management.....	98,956	103,100	98,956	103,100	DOD	4,144	4.2%
Nanoscale Science and Engineering.....	249	305	249	305	NSF	56	22.5%
National Assessment.....	95	95	95	95	ED	0	0.0%
National Center for Education Statistics.....	92	92	92	92	ED	0	0.0%
National Weather Service.....	825	839	825	839	Commerce	14	1.7%
New Currency Manufacturing.....	325	400	325	400	Treasury	75	23.1%
NIST Laboratories.....	401	482	401	482	Commerce	81	20.2%
Nuclear Physics.....	390	401	390	401	DOE	11	2.8%



**PART SCORES AND PROGRAM FUNDING LEVELS**  
**EFFECTIVE PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
OCC Bank Supervision.....	477	488	477	488	11	2.3%
Office of Child Support Enforcement.....	4,413	4,074	4,413	4,074	-339	-7.7%
OTS Thrift Supervision.....	174	178	174	178	4	2.3%
Reader Inspection and Performance Assessment.....	96	157	96	157	61	63.5%
Reclamation Hydropower.....	148	159	148	159	11	7.4%
Research, Engineering & Development.....	113	117	113	117	4	3.5%
Resource and Patient Management System.....	65	70	65	70	5	7.7%
Science & Technology Program (S&T).....	16	10	16	10	-6	-37.5%
Solar System Exploration.....	1,316	1,187	1,316	1,187	-129	-9.8%
Strategic Petroleum Reserve (SPR).....	171	172	171	172	1	0.6%
Survey Sample Redesign.....	13	12	13	12	-1	-7.7%
TVA Resource Stewardship (Non-Power).....	84	83	84	83	-1	-1.2%
World War II Memorial.....	55	22	55	22	-33	-60.0%
<b>Total funding for Effective programs<sup>1</sup></b>	<b>119,257</b>	<b>123,751</b>	<b>119,257</b>	<b>123,751</b>	<b>4,494</b>	<b>3.8%</b>

<sup>1</sup> Funding levels represent program level and include EA, Obligations, user fees, loan levels, etc. as appropriate.

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**MODERATELY EFFECTIVE PROGRAMS**  
(dollars in millions)

Program Name	Agency	2004		2005		Change from 2004	
		Enacted	Budget	Enacted	Budget	Change	%
Acid Rain.....	EPA	17	17	17	0	0.0%	
Administration on Aging.....	HHS	1,374	1,377	1,377	3	0.2%	
Advanced Fuel Cycle Initiative.....	DOE	67	46	46	-21	-31.3%	
Advanced Scientific Computing Research.....	DOE	202	204	204	2	1.0%	
Agricultural Credit Insurance Fund - Guaranteed Loans.....	USDA	2,416	2,866	2,866	450	18.6%	
Air Combat Program.....	DOD	16,023	16,457	16,457	434	2.7%	
Airlift Program.....	DOD	4,798	5,937	5,937	1,139	23.7%	
Asset Management of AFRH Real Property.....	AFRH	65	61	61	-4	-6.2%	
ATF Firearms Programs - Integrated Violence Reduction Strategy.....	DOJ	615	632	632	17	2.8%	
Black Lung Benefits Program.....	DOL	1,452	1,423	1,423	-29	-2.0%	
Bonneville Power Administration.....	DOE	-30	-10	20	50	166.7%	
Broadcasting to Africa.....	BBG	13	14	14	1	7.7%	
Broadcasting to Near East Asia and South Asia.....	BBG	128	95	95	-33	-25.8%	
Bureau of Prisons.....	DOJ	4,414	4,517	4,517	103	2.3%	
Burial Benefits.....	VA	431	455	455	24	5.6%	
CCC Marketing Loan Payments.....	USDA	2,701	2,954	2,954	253	9.4%	
Childrens Mental Health Services.....	HHS	102	106	106	4	3.9%	
Coast Guard Fisheries Enforcement.....	DHS	688	704	704	16	2.3%	
Current Demographic Statistics.....	Commerce	58	61	61	3	5.2%	
Data Collection and Dissemination.....	HHS	67	64	64	-3	-4.5%	
Decennial Census.....	Commerce	253	433	433	180	71.1%	
Detention and Removal.....	DHS	1,130	1,259	1,259	129	11.4%	
Disability Insurance.....	SSA	78,645	84,119	84,119	5,474	7.0%	
Disaster Loan Program.....	SBA	169	197	197	28	16.6%	
Distributed Energy Resources.....	DOE	61	53	53	-8	-13.1%	
Economic Development Administration.....	Commerce	315	320	320	5	1.6%	
Emergency Management.....	Corps	0	50	50	50	---	
Energy Resource Assessments.....	DOI	25	25	25	0	0.0%	
Export Import Bank - Long Term Guarantees.....	Ex-Im Bank	55	156	156	101	183.6%	
FAA Grants-in-Aid for Airports (Airport Improvement Program).....	DOT	3,400	3,500	3,500	100	2.9%	
Facilities and Infrastructure.....	DOE	239	316	316	77	32.2%	

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**MODERATELY EFFECTIVE PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
Federal Employees Compensation Act (FECA).....	2,558	2,631	2,558	2,631	73	2.9%
Federal Lands.....	767	947	767	947	180	23.5%
Federal Motor Carrier Safety Administration Grant Program.....	165	168	165	168	3	1.8%
Federal Protective Service.....	424	478	424	478	54	12.7%
FHWA Highway Infrastructure.....	32,462	32,138	32,462	32,138	-324	-1.0%
Food and Drug Administration.....	1,695	1,845	1,695	1,845	150	8.8%
Food Stamp Program.....	27,293	28,917	27,293	28,917	1,624	6.0%
Fusion Energy Sciences.....	263	264	263	264	1	0.4%
Generation IV Nuclear Energy Systems Initiative.....	24	31	24	31	7	29.2%
Geologic Hazard Assessments.....	75	74	75	74	-1	-1.3%
Geothermal Technology.....	26	26	26	26	0	0.0%
Habitat Restoration Activities.....	147	147	147	147	0	0.0%
Hazardous Materials Transportation.....	14	14	14	14	0	0.0%
High Energy Physics.....	734	737	734	737	3	0.4%
High Temperature Superconducting R&D.....	34	45	34	45	11	32.4%
HIV/AIDS Research.....	2,850	2,930	2,850	2,930	80	2.8%
HOME Investment Partnerships Program.....	2,006	2,084	2,006	2,084	78	3.9%
Housing Vouchers.....	14,602	13,364	14,602	13,364	-1,238	-8.5%
Housing.....	14,230	15,672	14,230	15,672	1,442	10.1%
Humanitarian Migrants to Israel.....	50	50	50	50	0	0.0%
Hydrogen Technology.....	82	95	82	95	13	15.9%
IHS Federally-Administered Activities.....	1,378	1,408	1,378	1,408	30	2.2%
IHS Sanitation Facilities Construction Program.....	93	103	93	103	10	10.8%
Inertial Confinement Fusion Ignition and High Yield Campaign/NIF Construction Project.....	514	492	514	492	-22	-4.3%
Intercensal Demographic Estimates.....	9	11	9	11	2	22.2%
Lead Hazard Grants.....	164	129	164	129	-35	-21.3%
Manufacturing Extension Partnership.....	39	39	39	39	0	0.0%
Marine Environmental Protection.....	252	267	252	267	15	6.0%
Maternal and Child Health Block Grant (MCHBG).....	730	730	730	730	0	0.0%
Medicare.....	298,916	326,716	298,916	326,716	27,800	9.3%
Military Assistance to new NATO and NATO Aspirant Nations.....	95	22	95	22	-73	-76.8%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**MODERATELY EFFECTIVE PROGRAMS** *continued*  
(dollars in millions)

Program Name	Agency	2004	2005	Change from 2004
		Enacted	Budget	
Mineral Resource Assessments.....	DOI	55	49	-6 -10.9%
Mission and Science Measurement Technology.....	NASA	467	1,094	627 134.3%
National Community Development Initiative.....	HUD	35	30	-5 -14.3%
National Criminal History Improvement Program.....	DOJ	30	58	28 93.3%
National Flood Insurance.....	DHS	1,719	1,787	68 4.0%
National Health Service Corps.....	HHS	170	205	35 20.6%
National Highway Traffic Safety Administration Grant Program.....	DOT	449	456	7 1.6%
National Historic Preservation Programs.....	DOI	93	97	4 4.3%
National Park Service Natural Resource Stewardship.....	DOI	198	205	7 3.5%
New Chemicals.....	EPA	15	15	0 0.0%
New Starts.....	DOT	1,356	1,599	243 17.9%
NOAA Navigation Services.....	Commerce	74	73	-1 -1.4%
Office of Transition Initiatives.....	USAID	55	63	8 14.5%
Outer Continental Shelf Environmental Studies.....	DOI	16	16	0 0.0%
PKO - OSCE Programs.....	State	32	3	-29 -90.6%
Projects for Assistance in Transition from Homelessness.....	HHS	50	55	5 10.0%
Railroad Safety Program (RSP).....	DOT	129	138	9 7.0%
Readiness in Technical Base and Facilities (RTBF), Operations.....	DOE	1,022	1,018	-4 -0.4%
Recruiting.....	DOD	2,369	2,361	-8 -0.3%
Refugee Admissions to the U.S.....	State	136	136	0 0.0%
Security Assistance for the Western Hemisphere.....	State	158	124	-34 -21.5%
Security Assistance to Sub-Saharan Africa.....	State	60	96	36 60.0%
Service Corps of Retired Executives.....	SBA	14	12	-2 -14.3%
Small Business Development Centers.....	SBA	98	103	5 5.1%
Soil Survey Program.....	USDA	86	87	1 1.2%
Solar Energy.....	DOE	83	80	-3 -3.6%
Southeastern Power Administration.....	DOE	5	5	0 0.0%
Southwestern Power Administration.....	DOE	28	29	1 3.6%
Supplemental Security Income for the Aged.....	SSA	4,298	4,652	354 8.2%
Title XVI Water Reuse and Recycling.....	DOI	28	12	-16 -57.1%
Tribal Land Consolidation.....	DOI	22	75	53 240.9%
TVA Power.....	TVA	7,474	7,579	105 1.4%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**MODERATELY EFFECTIVE PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
U.S. Patent and Trademark Office - Trademarks.....	132	162	162	30	22.7%	
U.S. Trade and Development Agency.....	50	50	50	0	0.0%	
UN High Commissioner for Refugees (UNHCR).....	310	229	229	-81	-26.1%	
Unemployment Insurance Administration State Grants.....	2,619	2,711	2,711	92	3.5%	
USACE Regulatory Program.....	139	150	150	11	7.9%	
USAID Development Assistance - Population.....	430	425	425	-5	-1.2%	
Visa and Consular Services.....	807	865	865	58	7.2%	
Weatherization Assistance.....	227	291	291	64	28.2%	
Western Area Power Administration.....	177	173	173	-4	-2.3%	
Wind Energy.....	41	42	42	1	2.4%	
Worldwide Security Upgrades.....	647	659	659	12	1.9%	
<b>Total funding for Moderately Effective programs<sup>1</sup></b>	<b>113,808</b>	<b>119,037</b>	<b>119,037</b>	<b>5,229</b>	<b>4.6%</b>	

<sup>1</sup> Funding levels represent program level and include BA, Obligations, user fees, loan levels, etc. as appropriate.

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**ADEQUATE PROGRAMS**  
(dollars in millions)

	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
Program Name	Agency		Agency			
21st Century Community Learning Centers.....	ED		ED		999	0 0.0%
317 Immunization Program.....	HHS		HHS		643	534 -17.0%
Advanced Technology Program.....	Commerce		Commerce		171	0 -100.0%
Agency for Toxic Substances and Disease Registry.....	HHS		HHS		73	77 4 5.5%
Animal Welfare.....	USDA		USDA		16	17 1 6.3%
ATF Consumer Product Safety Activities.....	Treasury		Treasury		23	23 0 0.0%
Bioenergy.....	USDA		USDA		150	100 -50 -33.3%
Brownfields.....	EPA		EPA		170	40 23.5%
Building Technologies.....	DOE		DOE		60	58 -2 -3.3%
Children's Hospitals Graduate Medical Education Payment Program.....	HHS		HHS		303	303 0 0.0%
Chronic Disease - Breast and Cervical Cancer.....	HHS		HHS		210	220 10 4.8%
Chronic Disease - Diabetes.....	HHS		HHS		67	67 0 0.0%
Clean Coal Research Initiative.....	DOE		DOE		378	447 69 18.3%
Community Mental Health Services Block Grant.....	HHS		HHS		435	436 1 0.2%
Comprehensive School Reform.....	ED		ED		234	0 -234 -100.0%
Cybercrime.....	DOJ		DOJ		206	265 59 28.6%
Defense Health.....	DOD		DOD		16,392	17,640 1,248 7.6%
Developmental Disabilities Grant Programs.....	HHS		HHS		138	138 0 0.0%
Direct Crop Payments.....	USDA		USDA		5,375	5,284 -91 -1.7%
Dislocated Worker Assistance.....	DOL		DOL		1,173	1,106 -67 -5.7%
Drug Enforcement Administration.....	DOJ		DOJ		1,677	1,797 120 7.2%
Drug-Free Communities Support Program.....	ONDCP		ONDCP		70	80 10 14.3%
Energy and Minerals Management.....	DOI		DOI		108	108 0 0.0%
Environmental Management.....	DOE		DOE		7,034	7,434 400 5.7%
Existing Chemicals.....	EPA		EPA		17	17 0 0.0%
FAA Air Traffic Services.....	DOT		DOT		6,097	6,522 425 7.0%
Demolition.....	DOD		DOD		6,424	6,643 219 3.4%
Federal Family Education Loans.....	ED		ED		2,880	7,050 4,170 144.8%
Federal Pell Grants.....	ED		ED		12,007	12,830 823 6.9%
Food Safety and Inspection Service.....	USDA		USDA		775	715 -60 -7.7%
Foster Care.....	HHS		HHS		4,706	4,871 165 3.5%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**ADEQUATE PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
Fuel Cells (Stationary).....	71	23	71	23	-48	-67.6%
GEAR UP.....	298	0	298	0	0	0.0%
Health Alert Network.....	183	183	183	0	0	0.0%
Immigration Services.....	1,653	1,711	1,653	1,711	58	3.5%
Indian Forestry Program.....	52	53	52	1	1	1.9%
Indian School Operations.....	522	522	522	0	0	0.0%
International Development Association.....	977	1,068	977	91	91	9.3%
Medical Care.....	28,297	29,471	28,297	1,174	1,174	4.1%
Mine Safety and Health Administration.....	269	276	269	7	7	2.6%
National Forest Improvement and Maintenance.....	559	505	559	-54	-54	-9.7%
National Marine Fisheries Service.....	676	662	676	-14	-14	-2.1%
National Park Service Facility Management.....	700	725	700	25	25	3.6%
Nuclear Power 2010.....	20	10	20	-10	-10	-50.0%
Nursing Education Loan Repayment and Scholarship Program.....	27	32	27	5	5	18.5%
Occupational Safety and Health Administration.....	458	462	458	4	4	0.9%
Organized Crime/Drug Enforcement.....	495	512	495	17	17	3.4%
Overseas Private Investment Corporation - Finance.....	24	24	24	0	0	0.0%
Overseas Private Investment Corporation - Insurance.....	1,800	2,000	1,800	200	200	11.1%
Partners for Fish and Wildlife.....	42	50	42	8	8	19.0%
Patient Safety.....	80	84	80	4	4	5.0%
Pesticide Data/Microbiological Data Programs.....	21	21	21	0	0	0.0%
Pesticide Registration.....	66	66	66	0	0	0.0%
Public Law 480 Title II Food Aid.....	1,185	1,185	1,185	0	0	0.0%
RBS Business and Industry Guaranteed Loan Program.....	556	600	556	44	44	7.9%
RCRA Corrective Action.....	39	39	39	0	0	0.0%
Records Services Program.....	374	391	374	17	17	4.5%
Recreation Management.....	61	59	61	-2	-2	-3.3%
Refugee and Entrant Assistance.....	448	473	448	25	25	5.6%
Rural Health Activities.....	147	56	147	-91	-91	-61.9%
Ryan White.....	2,020	2,055	2,020	35	35	1.7%
Safeguards and Security.....	553	667	553	114	114	20.6%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**ADEQUATE PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004
	Enacted	Budget	Enacted	Budget	
Section 504 Certified Development Company Guaranteed Loan Program.....	17	14	17	14	-3 -17.6%
Shipbuilding.....	12,201	11,477	12,201	11,477	-724 -5.9%
Small Business Investment Company.....	13	13	13	13	0 0.0%
State Children's Health Insurance Program.....	5,232	5,299	5,232	5,299	67 1.3%
Student Aid Administration.....	912	935	912	935	23 2.5%
Substance Abuse Treatment Programs of Regional and National Significance.....	419	517	419	517	98 23.4%
Translating Research into Practice.....	8	5	8	5	-3 -37.5%
Treasury Technical Assistance.....	19	18	19	18	-1 -5.3%
Tribal General Assistance.....	62	62	62	62	0 0.0%
Troops-to-Teachers.....	15	15	15	15	0 0.0%
U.S. Patent and Trademark Office - Patents.....	1,090	1,371	1,090	1,371	281 25.8%
Urban Indian Health Program.....	32	32	32	32	0 0.0%
US and Foreign Commercial Service (USFCS).....	202	212	202	212	10 5.0%
USAID Climate Change.....	175	155	175	155	-20 -11.4%
USMS Apprehension of Fugitives.....	180	184	180	184	4 2.2%
USMS Protection of the Judicial Process.....	540	554	540	554	14 2.6%
Vocational Rehabilitation State Grants.....	2,584	2,636	2,584	2,636	52 2.0%
White Collar Crime.....	512	509	512	509	-3 -0.6%
William D. Ford Direct Student Loans.....	2,381	-492	2,381	-492	-2,873 -120.7%
Yucca Mountain Project.....	577	880	577	880	303 52.5%
<b>Total funding for Adequate programs<sup>1</sup></b>	<b>138,855</b>	<b>144,670</b>	<b>138,855</b>	<b>144,670</b>	<b>5,815 4.2%</b>

<sup>1</sup> Funding levels represent program level and include BA, Obligations, user fees, loan levels, etc. as appropriate.



**PART SCORES AND PROGRAM FUNDING LEVELS**  
**INEFFECTIVE PROGRAMS**  
(dollars in millions)

Program Name	2004		2005		Agency
	Enacted	Budget	Enacted	Change from 2004	
Chemical Demilitarization.....	1,650	1,457	1,457	-193	-11.7%
Community Development Block Grant (Formula).....	4,331	4,331	4,331	0	0.0%
Community Service Employment for Older Americans.....	439	440	440	1	0.2%
Earned Income Tax Credit (EITC) Compliance.....	201	176	176	-25	-12.4%
Even Start.....	247	0	0	-247	-100.0%
Federal Perkins Loans.....	99	0	0	-99	-100.0%
Health Professions.....	409	126	126	-283	-69.2%
HOPE VI.....	149	0	0	-149	-100.0%
Juvenile Accountability Block Grants.....	59	0	0	-59	-100.0%
Migrant and Seasonal Farmworkers.....	77	0	0	-77	-100.0%
Natural Gas Technologies.....	43	26	26	-17	-39.5%
Oil Technology.....	35	15	15	-20	-57.1%
Project-Based Rental Assistance.....	4,769	5,102	333	333	7.0%
Safe and Drug Free Schools State Grants.....	441	441	441	0	0.0%
Substance Abuse Prevention and Treatment Block Grant.....	1,779	1,832	53	53	3.0%
Trade Adjustment Assistance.....	1,338	1,057	-281	-281	-21.0%
TRIO Upward Bound.....	282	281	-1	-1	-0.4%
Vocational Education State Grants.....	1,195	1,012	-183	-183	-15.3%
Youth Activities.....	995	1,001	6	6	0.6%
<b>Total funding for ineffective programs<sup>1</sup></b>	<b>18,538</b>	<b>17,297</b>	<b>-1,241</b>	<b>-6.7%</b>	

<sup>1</sup> Funding levels represent program level and include BIA Obligations, user fees, loan levels, etc. as appropriate.

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**RESULTS NOT DEMONSTRATED PROGRAMS**  
(dollars in millions)

	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget	Change	%
Abandoned Mine Land Reclamation.....	191	244	191	244	53	27.7%
Adult Education State Grants.....	590	590	590	590	0	0.0%
African Development Fund.....	112	118	112	118	6	5.4%
Aids to Navigation.....	808	855	808	855	47	5.8%
Air Toxics.....	113	113	113	113	0	0.0%
AmeriCorps.....	312	292	312	292	-20	-6.4%
Asset Management of Federally-Owned Real Property.....	1,805	1,819	1,805	1,819	14	0.8%
Assistance to Firefighters Grant Program.....	746	500	746	500	-246	-33.0%
Aviation Passenger Screening Program.....	1,531	1,586	1,531	1,586	55	3.6%
Bank Enterprise Award.....	9	5	9	5	-4	-44.4%
Biological Sciences Research.....	368	492	368	492	124	33.7%
Border Patrol.....	1,847	1,862	1,847	1,862	15	0.8%
Business Information Centers.....	14	0	14	0	-14	-100.0%
CDC State and Local Preparedness Grants.....	934	829	934	829	-105	-11.2%
Child Survival and Health (LAC).....	154	137	154	137	-17	-11.0%
Civil Enforcement.....	448	456	448	456	8	1.8%
Clean Water State Revolving Fund.....	1,342	850	1,342	850	-492	-36.7%
Coastal Zone Management Act Programs.....	113	111	113	111	-2	-1.8%
Comanche Helicopter Program.....	1,079	1,252	1,079	1,252	173	16.0%
Commerce Small Business Innovation Research (SBIR) Program.....	4	0	4	0	-4	-100.0%
Communications Infrastructure.....	6,273	6,276	6,273	6,276	3	0.0%
Community Facilities Program.....	508	527	508	527	19	3.7%
Community Oriented Policing Services.....	742	44	742	44	-698	-94.1%
Community Services Block Grant.....	642	495	642	495	-147	-22.9%
Compliance -- Enforcement.....	51	52	51	52	1	2.0%
Conservation Technical Assistance.....	694	560	694	560	-134	-19.3%
Consumer Product Safety Commission.....	60	63	60	63	3	5.0%
Container Security Initiative.....	62	126	62	126	64	103.2%
Contribution to the United Nations Development Programme (UNDP).....	100	90	100	90	-10	-10.0%
Corps Hydropower.....	245	220	245	220	-25	-10.2%
Criminal Enforcement.....	42	43	42	43	1	2.4%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**RESULTS NOT DEMONSTRATED PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
Crop Insurance.....	3,372	3,295	3,372	3,295	-77	-2.3%
CTAC Counterdrug Research & Development.....	18	18	18	18	0	0.0%
CTAC Technology Transfer Program.....	22	22	22	22	0	0.0%
Davis-Bacon Wage Determination Program.....	10	10	10	10	0	0.0%
Development Assistance.....	268	242	268	242	-26	-9.7%
Disability Compensation.....	27,712	32,266	27,712	32,266	4,554	16.4%
Disaster Relief Fund - Public Assistance.....	1,037	1,075	1,037	1,075	38	3.7%
DoD Small Business Innovation Research/Technology Transfer.....	1,100	1,133	1,100	1,133	33	3.0%
DOI Wildland Fire Management.....	685	743	685	743	58	8.5%
Domestic HIV/AIDS Prevention.....	695	696	695	696	1	0.1%
Drinking Water State Revolving Fund.....	845	850	845	850	5	0.6%
Drug Courts.....	38	70	38	70	32	84.2%
Drug Interdiction.....	774	822	774	822	48	6.2%
Earth Science Applications.....	91	77	91	77	-14	-15.4%
Ecological Research.....	132	110	132	110	-22	-16.7%
Elimination of Weapons-Grade Plutonium Production Program.....	50	50	50	50	0	0.0%
Employee Benefits Security Administration (EBSA).....	124	132	124	132	8	6.5%
Environmental Education.....	9	0	9	0	-9	-100.0%
Farmland Protection Program.....	101	121	101	121	20	19.8%
Federal Air Marshal Service.....	640	613	640	613	-27	-4.2%
Federal Employees Group Life Insurance (FEGLI).....	2,069	2,164	2,069	2,164	95	4.6%
Federal Employees Retirement Program.....	53,092	55,210	53,092	55,210	2,118	4.0%
Federal Law Enforcement Training Center.....	192	196	192	196	4	2.1%
Federal Work-Study.....	999	999	999	999	0	0.0%
Flood Damage Reduction.....	972	930	972	930	-42	-4.3%
Food Aid Programs.....	152	148	152	148	-4	-2.6%
Food Safety Research.....	97	106	97	106	9	9.3%
Forest Legacy Program (FLP).....	64	100	64	100	36	56.3%
Forestry Research Grants.....	22	22	22	22	0	0.0%
Full Disclosure Program (Corporate Review).....	61	79	61	79	18	29.5%
GSA's Regional IT Solutions Program.....	6,080	6,282	6,080	6,282	202	3.3%

Program Name	2004		2005		Change from 2004
	Enacted	Budget	Enacted	Budget	
Hazard Mitigation Grant.....	155	161	6	3.9%	
Head Start.....	6,775	6,944	169	2.5%	
Health Care Fraud and Abuse Control (HCFA C).....	160	160	0	0.0%	
High Intensity Drug Trafficking Areas (HIDTA).....	225	208	-18	-8.0%	
Hospital Preparedness Grants.....	515	476	-39	-7.6%	
Housing for Persons with Disabilities.....	250	249	-1	-0.4%	
Housing for the Elderly.....	774	773	-1	-0.1%	
Housing Opportunities for Persons with AIDS.....	295	295	0	0.0%	
IDEA Grants for Infants and Families.....	444	467	23	5.2%	
IDEA Grants to States.....	10,068	11,068	1,000	9.9%	
IDEA Part D - Personnel Preparation.....	91	91	0	0.0%	
IDEA Part D - Research and Innovation.....	78	78	0	0.0%	
IDEA Preschool Grants.....	388	388	0	0.0%	
Improving Teacher Quality State Grants.....	2,930	2,930	0	0.0%	
Independent Living (IL) Programs.....	96	96	0	0.0%	
Indian Law Enforcement.....	172	182	10	5.8%	
Indian School Construction.....	295	229	-66	-22.4%	
Inland Waterways Navigation.....	690	630	-60	-8.7%	
IRS Tax Collection.....	1,002	1,083	81	8.1%	
Land & Water Conservation Fund (LWCF) State Grants.....	94	94	0	0.0%	
Land Acquisition.....	67	67	0	0.0%	
Leaking Underground Storage Tanks.....	76	73	-3	-3.9%	
Leasing Space.....	3,641	4,018	377	10.4%	
Low Income Home Energy Assistance Program.....	1,900	2,001	101	5.3%	
Metropolitan Medical Response System.....	50	0	-50	-100.0%	
Minerals Revenue Management.....	80	82	2	2.5%	
Minority Business Development Agency.....	29	34	5	17.2%	
Missile Defense.....	9,095	10,298	1,203	13.2%	
Montgomery GI Bill (MGIB) (Education Benefits).....	1,988	2,112	124	6.2%	
Multifamily Housing Direct Loans and Rental Assistance.....	776	769	-7	-0.9%	
Multiple Award Schedules.....	420	443	23	5.5%	
USDA.....					
VA.....					
Commerce.....					
DOO.....					
DOJ.....					
DHS.....					
EPA.....					
GSA.....					
HHS.....					
HUD.....					
IA.....					
IRS.....					
State Grants.....					
Treasury.....					
USDA.....					

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**RESULTS NOT DEMONSTRATED PROGRAMS** *continued*  
(dollars in millions)

	2004	2005	
	Enacted	Budget	Change from 2004
National Fish Hatchery System.....	58	57	-1 -1.7%
National Mapping.....	130	128	-2 -1.5%
National Resources Inventory.....	29	22	-7 -24.1%
National School Lunch.....	6,623	6,786	163 2.5%
National Wildlife Refuge Operations and Maintenance.....	391	388	-3 -0.8%
Native American Housing Block Grants.....	650	647	-3 -0.5%
Natl'l Institute on Disability and Rehab. Research (NIDRR).....	107	107	0 0.0%
Nonpoint Source Grants.....	195	209	14 7.2%
Nonproliferation and Disarmament Fund.....	30	30	0 0.0%
Non-regulatory Wetlands Activities.....	260	300	40 15.4%
Nuclear Energy Research Initiative.....	11	0	-11 -100.0%
Occupational and Employment Information.....	9	0	-9 -100.0%
Office of Federal Contract Compliance Programs (OFCCP).....	79	82	3 3.8%
Office of Foreign Assets Control (OFAC).....	21	22	1 4.8%
Pacific Coastal Salmon Recovery Fund.....	89	100	11 12.4%
Particulate Matter Research.....	65	65	0 0.0%
Partnership for Advancing Technology in Housing (PATH).....	8	2	-6 -75.0%
Personal Property Management Program (FBP).....	27	27	0 0.0%
Pesticide Reregistration.....	77	83	6 7.8%
Plant Materials Program.....	11	10	-1 -9.1%
Pollution Prevention and New Technologies.....	42	36	-6 -14.3%
Public Defender Service for the District of Columbia.....	25	30	5 20.0%
Real Property Disposal (PR).....	40	44	4 10.0%
Regulation of Surface Coal Mining Activities.....	105	109	4 3.8%
Residential Substance Abuse Treatment.....	0	76	76 ---
Runaway and Homeless Youth.....	105	105	0 0.0%
Rural Electric Utility Loans and Guarantees.....	3,989	2,640	-1,349 -33.8%
Rural Utilities Service Telecommunications Loan Programs.....	514	495	-19 -3.7%
Rural Water and Wastewater Grants and Loans.....	1,628	1,475	-153 -9.4%
Rural Water Supply Projects.....	83	68	-15 -18.1%
Schools and Libraries - Universal Service Fund.....	2,250	2,250	0 0.0%

**PART SCORES AND PROGRAM FUNDING LEVELS**  
**RESULTS NOT DEMONSTRATED PROGRAMS** *continued*  
(dollars in millions)

Program Name	2004		2005		Change from 2004	
	Enacted	Budget	Enacted	Budget		
Search and Rescue.....	842	891	9	9	49	5.8%
Snow Survey and Water Supply Forecasting.....	9	9	9	9	0	0.0%
Space Shuttle.....	3,945	4,319	374	374	374	9.5%
Space Station.....	1,498	1,863	365	365	365	24.4%
State Criminal Alien Assistance Program.....	297	0	-297	-100.0%	-297	-100.0%
Submission Processing (SP).....	726	734	8	8	8	1.1%
Superfund Removal.....	200	183	-17	-8.5%	-17	-8.5%
Supplemental Educational Opportunity Grants.....	770	770	0	0.0%	0	0.0%
Supply Depots and Special Order.....	847	856	9	1.1%	9	1.1%
Support for Eastern European Democracy & Freedom Support Act.....	1,026	950	-76	-7.4%	-76	-7.4%
Teacher Quality Enhancement.....	89	89	0	0.0%	0	0.0%
Tech-Prep Education State Grants.....	107	0	-107	-100.0%	-107	-100.0%
Terrorist Interdiction Program (TIP).....	5	5	0	0.0%	0	0.0%
Tribal Courts.....	18	18	0	0.0%	0	0.0%
Tribally Controlled Postsecondary Vocational and Technical Institutions.....	7	7	0	0.0%	0	0.0%
TRIO Student Support Services.....	264	267	3	1.1%	3	1.1%
TRIO Talent Search.....	146	146	0	0.0%	0	0.0%
USDA Midland Fire Management.....	1,633	1,695	62	3.8%	62	3.8%
VA Research and Development.....	820	770	-50	-6.1%	-50	-6.1%
Vehicle Acquisition.....	1,216	1,199	-17	-1.4%	-17	-1.4%
Vehicle Leasing.....	1,447	1,569	122	8.4%	122	8.4%
Weed and Seed.....	58	58	0	0.0%	0	0.0%
Wildlife Habitat Incentives Program.....	52	59	7	13.5%	7	13.5%
Youth Anti-Drug Media Campaign.....	145	145	0	0.0%	0	0.0%
<b>Total funding for Results Not Demonstrated programs<sup>1</sup></b>	<b>200,900</b>	<b>208,682</b>	<b>7,782</b>	<b>3.9%</b>	<b>7,782</b>	<b>3.9%</b>

<sup>1</sup> Funding levels represent program level and include BA, Obligations, user fees, loan levels, etc. as appropriate.

**TESTIMONY OF RICHARD K. ARMEY****CO-CHAIRMAN****CITIZENS FOR A SOUND ECONOMY****before the****SENATE GOVERNMENTAL AFFAIRS COMMITTEE****U.S. SENATE****May 06, 2004**

Good morning Mr. Chairman and Members of the committee. I am Dick Arney, former House Majority Leader, and currently Co-Chairman of Citizens for a Sound Economy (CSE), a non-partisan, non-profit grassroots organization with more than 360,000 members that works for lower taxes, less government, and more freedom. Thank you for inviting me here today to discuss the issue of federal spending and specifically the Commission on the Accountability and Review of Federal Agencies Act (CARFA).

As you, and many Americans, know, Washington has a spending problem. Discretionary spending has been increasing annually at double-digit rates. Last year it was up 12 percent and the year before 13 percent. The recent omnibus kicked it up 9 percent more. The Office of Management and Budget (OMB) reports deficits of \$521 billion for fiscal year 2004 and \$364 for fiscal year 2005. But the spending problems surfaced much earlier. Spending hikes approached 15 percent in 2001 when a surging economy brought in surplus revenues to Washington, and the average rate of spending increases from 1998 to 2003 has been 7.4 percent, a rate of growth that far exceeds the rate of growth in the average family's income. Since 1998, federal spending is up an astounding \$404 billion—and that is after adjusting for inflation.

This rapid increase in government spending can at least partly be explained by the erosion of institutional barriers—both formal and informal—to higher spending that we established in 1995 when Republicans took over Congress. Particularly since 9/11, there have been little, if any, constraints on discretionary spending or appropriators. Anecdotally, one need only look at the massive expansion in earmarks contained in the current highway bill.

The brave Congressman who proposes cutting spending is greeted with alarm bells about perilous cutbacks in federal programs. But these criticisms are based on the assumption that all current spending is useful. This ignores the waste, redundancy, and inefficiency that plague federal spending programs. Troubles with the federal budget have been well documented. The General Accounting Office (GAO) continually monitors “high risk” federal programs with poor financial accountability and OMB has identified \$35 billion in erroneous payments made by federal agencies.<sup>[1]</sup> As the GAO notes, these problems will only increase as the baby boom generation begins to retire and place more strains on federal programs and outlays.

Waste and poor fiscal management are serious concerns. Literally billions are unaccounted for by the federal government. In light of these shortcomings, taxpayers are rightfully wary of calls for more federal spending.

Reforms are required, and the longer they are delayed, the more difficult it will be. The GAO notes, "If government is to be able to deal with these trends, it cannot accept as 'givens' all of its existing major programs, policies, and operations. Rather, the relevance or 'fit' of particular federal programs, policies, or activities to today's world and the future must be re-examined."<sup>[2]</sup>

This re-examination is what is proposed in CARFA. This program aims to find federal waste in a systematic fashion, guided by a clear and uncontroversial set of principles, and eliminate it. CARFA creates a process loosely based on the successful Base Realignment and Closure Commission (BRAC). I took the lead in reviving BRAC in the late 1980s, but I would like to note that the concept originated in the 1960s under President Kennedy. I mention this to point out that prioritizing spending, cutting waste, and maximizing the effectiveness of taxpayers' dollars is something both parties can support.

CARFA, like BRAC, would take parochial politics out of the budget process and make members decide in an up or down vote whether they wanted to realign and streamline the use of taxpayer's dollars going to duplicative, wasteful or irrelevant agencies. In effect, you would ask members of Congress to take a clear up or down vote on waste primarily benefiting other districts, effectively turning the politics of pork upside down. Like BRAC, this would bring significant savings which could be directed toward higher Congressional priorities, like reducing deficit spending while maintaining economic growth enhancing tax cuts.

CARFA is a sure way to bring reason and responsibility to the non-defense discretionary portion of the federal budget process. CARFA could also, in the spirit of BRAC, be broadened to include all discretionary spending. The need to weed out waste and duplication is most urgent exactly when spending is rising to meet new national security needs, and would in no way undermine needed investments. In fact, the opposite is true.

With discretionary spending rising because of a lack of discipline in the budgetary process, finding ways to control spending has become a key issue for America. CSE is working with our citizen activists and the business community to encourage policymakers to eliminate duplicate, wasteful, and outdated federal spending. On behalf of the members and supporters of CSE, I urge Congress protect the American taxpayers from the dangers of runaway spending by restoring budgetary discipline to the federal government through the adoption of the CARFA Act.

Thank you.

<sup>[1]</sup> See, General Accounting Office, "Major Management Challenges and Program Risks: A Government Perspective," GAO-03-95, United States General Accounting Office, January 2003, and Testimony of Honorable Linda M. Springer, Controller, Office of Federal Financial Management, Office of Management and Budget, before the Subcommittee on Government Efficiency and Financial Management, Committee on Government Reform, U.S. House of Representatives, May 13, 2003.

<sup>[2]</sup> GAO, "Major Management Challenges," p. 8.



**Testimony of  
Paul Weinstein Jr.  
Chief Operating Officer, the Progressive Policy Institute &  
Lecturer, the Johns Hopkins University Washington Center**

**Before  
The Senate Subcommittee on Oversight of Government Management, the Federal  
Workforce, and the District of Columbia  
United States Senate**

**May 6<sup>th</sup>, 2004**

Chairman Voinovich, Senator Durbin, members of the Subcommittee, I am honored to be here today to testify on S.1668, the Commission on the Accountability and Review of Federal Agencies Act (CARFA), and in general on the need for the reform and reorganization of the executive branch of the federal government.

It is a fact of life that every entity needs to reinvent itself continually in order to improve and survive. The most competitive and effective businesses regularly restructure, reconstitute, reorganize, and develop new priorities and goals. If government is to be a force for good, which I believe it must, it too must reinvent itself recurrently.

Unfortunately, more than half a decade has passed since we have developed and implemented a full-scale reform of the executive branch.

Of course, there have been many noble efforts along the way. A number of commissions comprised of esteemed individuals with significant experience in government, academia, and the private sector have proffered a long list of recommendations on how to revamp the executive branch. The Volcker Commissions I and II, the Grace Commission, the Ash Council, and others come to mind. Yet, because these commissions lacked the legal authority to implement their recommendations, only pieces of their reform proposals actually made it into the law.

On the other hand, past administrations -- that have taken a hands-on approach to improving the operations of the executive branch -- have succeeded in putting into place internal processes to "fix" government. The best known of these in recent years was the Clinton-Gore Administration's National Performance Review (NPR), which reduced the size of the federal workforce, streamlined the number of federal commissions and boards, and modernized information systems, but there have been others as well. Unfortunately, the work of these "task forces" that are internal to the executive branch has been limited to the narrow areas within their legal purview, and their efforts have been hampered further by Congress' reluctance to provide any President since 1984 with "Reorganization Authority."

In fact, not since the implementation of the Hoover Commission's recommendations in the late 1940s and early 1950s have Congress and the President worked together to put into

place comprehensive, government-wide reform.<sup>1</sup> And despite the efforts of the many good people within government who try to make it work -- and more often than not federal workers achieve great things despite a less than rational governmental structure -- we are paying too much for the failure to remake the executive more efficient, effective, and less costly.

Simply put, fifty years is too long to go without more than just a "tune-up." The executive branch needs a top-to-bottom overhaul.

That is why I am pleased that this Subcommittee is considering legislation to create a commission on government reform and accountability, modeled on the military base closing commissions of the past. And I commend Senator Brownback for helping to move this important issue to the forefront of the public debate.

The Progressive Policy Institute (PPI) has long advocated creating a commission to reinvent government and eliminate corporate welfare. In 1994, former PPI vice president Rob Shapiro proposed that Congress and the President establish a "Commission on National Competitiveness and Industry Subsidies," modeled on the base closing commission.<sup>2</sup> Our organization has long believed that the best way to achieve comprehensive reform of the executive branch is to combine the commission function with a mechanism to require Congress to vote on its recommendations. Senator Brownback's CARFA legislation would provide for this type of commission.

However, I believe that in order to ensure that the legislation truly achieves the goal of reform and efficiency, S.1668 needs to be modified in several key aspects.

### **Bipartisanship**

History has shown that the most successful reform efforts are those that have bipartisan support. It should not come as a surprise that the most significant government reform effort in the past fifty years, the Hoover Commission, was led by a former Republican President appointed by a Democratic President. A true bipartisan commission, with its membership equally split between both parties, should increase the likelihood of both broad congressional as well as public support.

I believe the CARFA legislation should follow the model established by the Defense and Base Closure and Realignment Act of 1990 (BRAC, P.L. 101-510). This law required that the BRAC commission consisted of eight members selected by the President with the advice and consent of the Senate. But more importantly, it effectively divided the membership of the commission equally among Republicans and Democrats.<sup>3</sup> However, to ensure that CARFA completes its work on schedule and in a fair and organized manner -- and because he is the head of the executive branch -- the President should be given the authority to name the Chairman of the commission.

<sup>1</sup> "Milestones in Twentieth-Century Executive Reorganization", The Miller Center, University of Virginia

<sup>2</sup> Shapiro, Rob, "Cut and Invest to Compete and Win", Progressive Policy Institute, January 1994

<sup>3</sup> "BRAC History", Taxpayers for Common Sense, [www.Taxpayer.net/nationalsecurity/learnmore/BRAC/HTML/history.htm](http://www.Taxpayer.net/nationalsecurity/learnmore/BRAC/HTML/history.htm)

### Expanded Scope

When companies choose to remake themselves, they look at all aspects of their operations, not just a few departments. Yet, as currently written, the Brownback legislation limits the CARFA's scope to non-defense domestic agencies and their programs.

Imagine if the Hoover Commission had been charged to only review domestic agencies. Without its recommendations, the President and Congress might never have created a National Security Council, or a unified military cabinet-level agency (the Department of Defense), both key players in winning the Cold War.<sup>4</sup>

Furthermore, restricting CARFA's scope would limit the amount of budget savings that could potentially be achieved. Our nation's current fiscal crisis is one of the reasons to create CARFA should be to identify budgetary savings to help reduce the federal deficit. However, we will not be able to balance the federal budget by focusing on only a small percent of the problem. Specifically, the non-defense and homeland security expenditures that the CARFA legislation targets only account for approximately 19 percent of total federal outlays.<sup>5</sup> On the other hand, non-Social Security mandatory spending, which is exempt from CARFA's mandate and includes Medicaid, Medicare, and targeted tax credits, represents 32 percent of all federal outlays.<sup>6</sup>

To be sure, I am not suggesting that these programs should be eliminated, but certainly there may be savings from consolidation and benefits to all Americans through simplification of their regulations. For example, there currently are six different tax incentives for college expenses and savings that now require 58 pages of explanation by the IRS, and another 16 IRA-type accounts.<sup>7</sup> Imagine how many more people might take advantage of these tax incentives if they were made easier to understand as a result of the CARFA's recommendations.

In order to effectively reform our government and too maximize budgetary savings, I believe CARFA must be given the authority to review all executive branch agencies (with the exception perhaps of a small number of unique, independent agencies such as the Federal Reserve and the Federal Deposit Insurance Corporation), programs (both discretionary and mandatory) and targeted tax incentives (tax expenditures that are limited by statute to a specific group of individuals or entities for specific purposes). If you limit CARFA's authority to reform, you will get limited results.

### Multiple Rounds

The work that CARFA will undertake is significant. Fifty years without a complete overhaul has made for an overly complicated and duplicative federal government. Some of these are

<sup>4</sup> "Milestones in Twentieth-Century Executive Reorganization", The Miller Center, University of Virginia

<sup>5</sup> "Citizens Guide to the Federal Budget" Office of Management and Budget, 2002

<sup>6</sup> Ibid

<sup>7</sup> Weinstein Jr., Paul, "Universal Access to College Through Tax Reform", Progressive Policy Institute, May 20, 2003 & Weinstein Jr., Paul, "Universal Pensions", Progressive Policy Institute, February 22, 2002

well-known, such as the six different ways the federal government defines a “child”, or the 15 departments and agencies administering more than 160 employee training programs.<sup>8</sup> Other cases of duplication and waste will take more time and energy to uncover, and it would be unreasonable to expect CARFA to solve all our problems overnight. That is why I think the two-year timetable set forth in S.1668 is appropriate. However, in order to give CARFA the needed flexibility to meet its congressional mandate, I suggest that it be allowed to submit more than one round of recommendations. I believe a “multiple round” approach would also help CARFA to build public support and increase the likelihood of its success. The original BRAC commissions did not make all their recommendations in a single bill, but rather in multiple rounds. In fact, it is interesting to note that some now want to recreate BRAC because they believe more work needs to be done to restructure our military installations.

#### **Additional Criteria**

S.1668 sets forth some important “criteria” for CARFA to follow, including identifying programs and agencies that are “duplicative, “wasteful or inefficient,” and “outdated, irrelevant, or failed.” Most of these are appropriate criteria, but I would suggest including some additional ones to the legislation.

First, I recommend the legislation direct CARFA to restructure agencies that are program-rather than results-oriented. All too often, government agencies become consumed by their programs and end up ignoring their stated mission. Reorganizing agencies into mission-focused departments should be a goal of the CARFA.

Secondly, CARFA should be given the authority to recommend simplifying programmatic regulations if it would help the relevant department(s) better meet the objectives of the germane authorizing statute(s).

Third, CARFA should be required to identify and propose for elimination corporate subsidies that do not serve the national interest. The federal government hands out billions in subsidies to corporations each year. Giving CARFA the ability to eliminate some of these handouts could save billions of dollars a year.

Finally, a provision should be added to the legislation that expressly directs CARFA to make no recommendations that it believes might negatively impact the health, safety, and security of the American people.

Again, I thank the Subcommittee for its attention and interest and look forward to answering any questions.

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<sup>8</sup> Light, Paul, “Restoring the President’s Reorganization Authority”, Testimony before the House Government Reform Committee, April 3, 2003

GAO

United States General Accounting Office

Performance and Accountability Series

January 1999

## Major Management Challenges and Program Risks A Governmentwide Perspective

### Areas of Fragmentation and Overlap Discussed in GAO Products

Mission areas	Programs
Agriculture	• Food safety
Commerce and housing credit	• Financial institution regulation
Community and regional Development	• Community development • Economic development • Emergency preparedness • Housing • Rural development
Education, training, Employment and social services	• Early childhood programs • Employment training • Student aid
General science, space, and technology	• High performance computing • National laboratories • Research and development facilities • Small business innovation research
General government	• Federal statistical agencies
Health	• Long-term care • Substance abuse • Nuclear health and safety • Telemedicine
Income security	• Child care • Welfare and related programs • Youth programs
International affairs	• Educational programs • Policy formulation and implementation
Law enforcement	• Border inspections • Drug control • Investigative authority • Drug trafficking • Combating terrorism
Natural resources and Environment	• Federal land management • International environmental programs • Hazardous waste cleanup • Water quality

Source: GAO



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR  
FOR MANAGEMENT

JUN 10 2004

The Honorable George V. Voinovich  
Chairman  
Subcommittee on Oversight of Government Management, the Federal Workforce,  
and the District of Columbia  
Committee on Governmental Affairs  
442 Hart Senate Office Building  
Washington, DC 20510

Dear Mr. Chairman:

At the hearing on May 6, 2004 of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, you asked me for examples in which Appropriations Committees reduced or eliminated funding for programs based on the Administration's assessment of their performance. Two examples, in which enacted funding levels are consistent with Administration recommendations, follow:

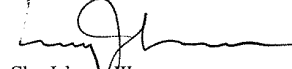
- **Department of Education, Safe and Drug Free Schools State Grants.** Through this program, the Department of Education awards grants to states and school districts for programs to reduce youth crime and drug abuse. At the time of the PART review for FY 2004, the Department of Education had not produced suitable long-term or annual measures; existing program indicators consisted of national surveys measuring neither youth crime nor drug abuse at State and local levels. In addition, a RAND study (2001) determined that the structure of the Safe and Drug Free Schools State Grant program was fundamentally flawed. This program received a PART rating of Ineffective. To address these findings and others, the Administration's FY 2004 Budget proposed a modest \$47 million reduction in funding. The actual enacted decrease was \$28 million.
- **Department of Justice, Juvenile Accountability Block Grants.** Through block grants, the Department of Justice (DOJ) provides funding to states to improve state and local juvenile justice systems. However, the program had not demonstrated any measurable impact on juvenile crime or the juvenile justice system by the time of the PART review for FY 2004. DOJ had little power to redirect funds to higher priority areas or from poor performing grantees because funding criteria are extremely broad and there are minimal reporting criteria. The Juvenile Accountability Block Grants program was rated Ineffective, and the Administration sought to terminate the program (FY 2004) by cutting the program's funding by \$189 million. The actual dollar decrease between 2003 and 2004 was \$130 million, approximately 69% of the total cut requested. In the President's FY 2005 Budget, the remaining funds for this program have been reallocated to other, more effective programs.

As I stated at the hearing on May 6, nothing happens automatically because a program is rated Ineffective or Effective, or something in-between. Current program performance and cost should be integral, but not the only consideration of any discussion about program funding, structure, and management. In some cases, an increase in funding has been suggested to help address particularly compelling program deficiencies. Notably, some of these once poorly-rated programs have improved their PART ratings due to renewed attention to the programmatic challenges that hampered their past performance. I wish to highlight two examples:

- **Department of Energy, Advanced Scientific Computing Research (ASCR).** ASCR funds research and development in applied math, computer science, and computer networks and also provides high-performance computer facilities for use by other Office of Science research programs within the Department of Energy. In the original PART rating, ASCR received a rating of Results Not Demonstrated. The Administration had the Department of Energy develop a strategic plan and institute an external review process to regularly assess the program's merit review and management practices. The Administration also increased funding for the program to begin a new research activity in next generation computer architectures. The program re-assessment yielded a Moderately Effective rating.
- **Department of the Interior, National Park Service Facility Management.** Through this program, the Department of the Interior (DOI) builds and maintains the buildings, roads, and other facilities of the 387 national parks. Over time, the condition of these assets has declined at the same time the number of parks has increased. To reverse this trend, the President set a goal of reducing the deferred maintenance backlog within the National Park system. To support the initiative, the President's FY 2004 Budget called for an increase of approximately \$50 million (to \$706 million); the program received \$700 million. During the PART review, it was determined that the purpose of the program was well-defined, but that a condition assessment of park facilities needed to be completed and a financial management tool needed to be put in place, by July 2003 and 2004 respectively. DOI received Results Not Demonstrated in the initial assessment of the National Park Service Facility Management program. After the prescribed adjustments were made the program rated Adequate. The President continues to support this initiative, increasing the program's proposed budget for FY 2005 to \$725 million.

Thank you for the opportunity to provide additional information and examples on the use of the PART in budgetary decision making. Be assured that OMB continues to maximize the usefulness of the tool for all stakeholders.

Sincerely,



Clay Johnson III  
Deputy Director for Management